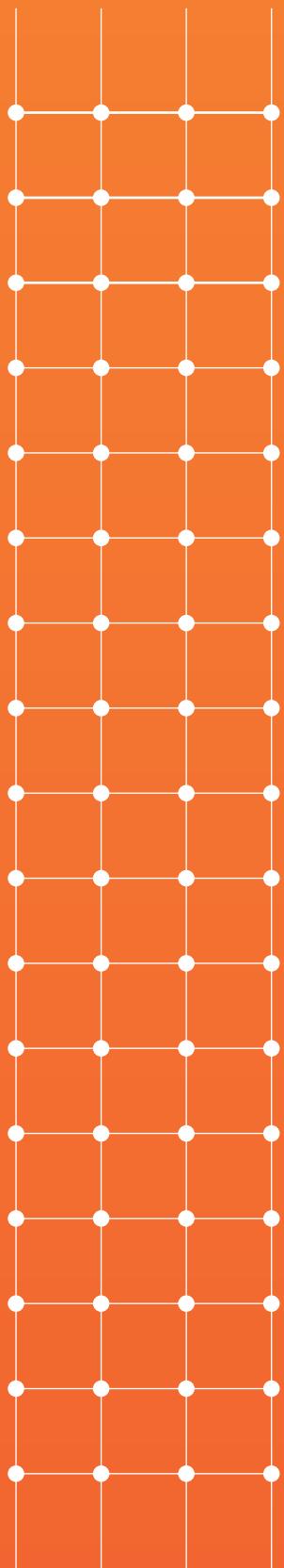


# CHARTING A NEW GROWTH STORY



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Key Performance Indicators

## Our performance in 2021-22

Financial	Operational	Social
₹433.28 crores REVENUE	3,00,823 tonnes PRODUCTION CAPACITY	48 hours AVERAGE PERSON-HOURS OF TRAINING, PROVIDED TO EVERY EMPLOYEE
₹58.83 crores EBITDA	53.67% INCREASE IN CAPACITY UTILISATION OVER FY21	₹21.40 lakhs CSR EXPENDITURE
₹31.96 crores PROFIT AFTER TAX		



## CHARTING A NEW GROWTH STORY

We are leveraging our substantial manufacturing capabilities by venturing into the Western Indian markets.

We intend to continue diversifying our product portfolio in a sustainable manner. We are committed to decrease our carbon footprint and are focused on improving our efficiencies to reduce wastage, sourcing materials locally to aid local economies and reduce transport emissions, reduce our freshwater usage and increasing our reliance on renewable power.

We are already working towards attracting more talent and expanding our management, which will act as catalysts in our transition to a more sustainable company. We are capitalising on the growth opportunities enabled by a growing middle class and the increasing focus by the government to boost economic growth.

We are actively working towards minimising our impact on the environment and the communities in and around which we operate. To ensure we fulfill our duties as a responsible corporate citizen, we continuously engage with our stakeholders to come up with the best and the most effective solutions for every situation.

## ABOUT US

# A NEW GROWTH PARADIGM

We have established ourselves as a premium manufacturer of iron and steel products. We have transformed ourselves into an integrated steel manufacturer mainly catering to the South Indian market. With a diverse product portfolio and an expanding market reach, we are poised to continue growing and enhancing value for all our stakeholders.

As we continue to become a prominent market player in the industry, we are planning to expand our geographical presence through increasing our product diversity and targeting markets with high growth potential.



## Our Vision

**To be one of the top-notch iron and steel suppliers in our segment, catering to industry needs**



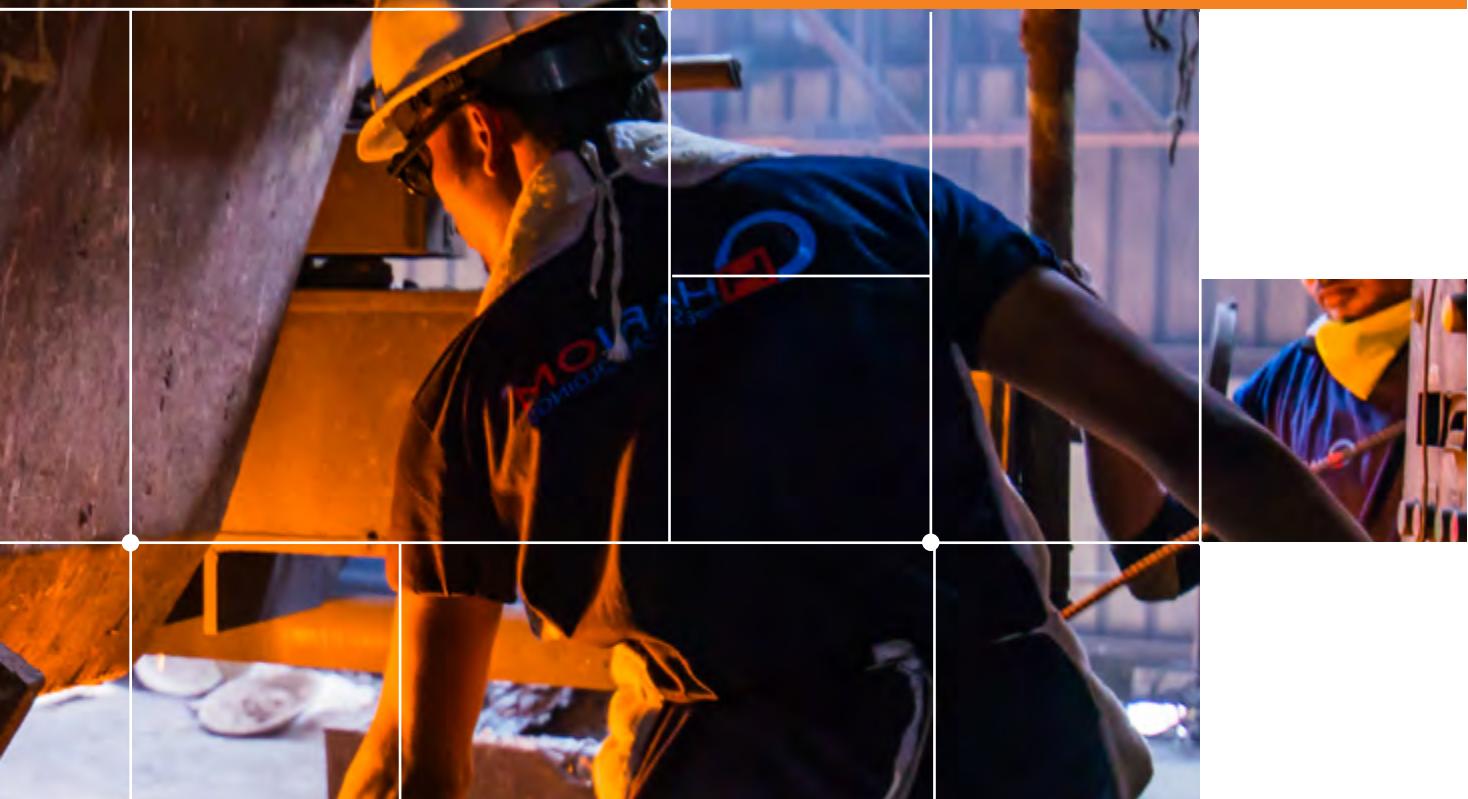
Corporate Review

Statutory Reports

Financial Statements

## Our Mission

To develop our nation and make it a better place to live by building a robust economy coupled with strong infrastructure



Successfully listed on  
National Stock Exchange  
and Bombay Stock Exchange

## OUR GEOGRAPHICAL FOOTPRINT

# EXPANDING OUR HORIZONS

Over the years, we have successfully consolidated our presence in Southern India. We will be leveraging the emerging opportunities in the organised sector across the country as we expand to Western India and Union territories.

**1,500**  
POINT OF SALES





### State wise growth in touchpoints

	FY 2020-21	FY 2021-22
Maharashtra	13	36
Telangana	697	577
Andhra Pradesh	274	273
Karnataka	323	419
Tamil Nadu	74	122
Others	8	42

## Our manufacturing units

Details of manufacturing unit	Particulars	Year		
		2020	2021	2022
<b>Unit I - Mahbubnagar</b>				
Induction Furnace	Installed Capacity	95,832	95,832	95832
	Capacity Utilised	46,276	44,788	74039
	Utilised Capacity (In %)	48.29%	46.74%	77.26%
Rolling Mill	Installed Capacity	84,000	84,000	84000
	Capacity Utilised	34,280	43,546	67185
	Utilised Capacity (in %)	40.81%	51.84%	79.98%
Piping Mill	Installed Capacity	84,000	84,000	84000
	Capacity Utilised	24,183	29,303	43512
	Utilised Capacity (in %)	28.79%	34.88%	51.80%
Scaffolding	Installed Capacity	1,000	1,000	1000
	Capacity Utilised	980	282	928
	Utilised Capacity (in %)	98.00%	28.20%	92.80%
<b>Unit II – Anantapur</b>				
Sponge Iron	Installed Capacity	0.00	36,000	36000
	Capacity Utilised	0.00	22,578	30235
	Utilised Capacity (in %)	0.00%	62.72%	83.99%

## OUR BUSINESS SEGMENTS

# DIVERSIFIED PRODUCT BASKET

We are committed to provide a variety of products in order to meet the evolving needs and requirements of our clients. Our unwavering focus towards constant improvement in quality has been the reason for our success as we continue to establish our presence across the country.



### Sponge Iron

The steel-melting scrap and sponge iron is used in the ratio of 30/70 for producing finished steel products. We recently forayed into sponge iron manufacture with production at our recently acquired unit

### MS Billets

The MS billets as product and key input for the rolling mill to produce HR strips. We develop a wide range of best-quality billets for manufacturers of quality steel products to rolling mills

### Key Applications & Downstream Industries

Self-consumption and as raw material by other steel manufacturers

Rolling of TMT Re-Bars of Fe500 and Fe550 grades and various other structural steel products such as round bar, flat bar, along with application as angles, channels and girders

### Key Differentiator

Provides backward integration and quality control, along with an opportunity to monetise excess production to other users

Wide range of premium quality products with option to customise in terms of dimensions to specific requirements

To continue providing the best possible value for our consumers, we have been focusing on horizontal and vertical growth of our product portfolio.



## HR Strips

These products are processed after the HR operation is conducted on MS billets in the rolling mill. We manufacture best-in-class HR Strips highly durable products using the latest technology

## MS Tubes & Pipes

The pipes and tubes are made from strips of Hot-Rolled (HR) steel passed through forming rolls and welded into various shapes. We develop superior quality round steel pipes, square steel pipes, rectangular steel pipes and D-shaped pipes and railing pipes

## Scaffolding

Scaffoldings are temporary platforms used to elevate and support workers and materials primarily during the construction, repair, or cleaning of a structure or machine. We offer our customers, products tailored to their requirements

For simple bends, complex draws & structural applications in different industrial setups

Residential as well as commercial applications across multiple industries

Construction industry

Technology driven premium quality product available in varied shapes and sizes

Products are available in varied diameter and thickness to cater to range of audience

Customisable premium quality products as per the requirement of the client

## OUR STRENGTHS

# LEVERAGING STRENGTHS FOR CONSISTENT GROWTH

We capitalise on our inherent strengths to create sustainable value for all our stakeholders.



## Experienced and qualified team

Under the guidance of our senior management over the years, we have been able to establish a strong legacy. Our promoters and senior management team have worked tirelessly and guided us through various stages of our growth. As they have stayed with us for a long period of time, they are well-versed with our business strategies, making our operating model as efficient as possible.

## Environment-friendly manufacturing process

We installed a hot charging production technique since it uses less coal and electricity. To enable a seamless transition from one manufacturing process to the next, we have synchronised our operations. Our smoke-emitting chimneys have pollution control devices installed to capture the dust particles, which are subsequently saved in filter bags for disposal.





## Integrated nature of our operations

Our production process is both cost and time-efficient as we use iron ore to create sponge iron, which is then processed through several phases to build our final products, MS Pipes and Scaffolding. We have the flexibility to service to a wider range of customers across multiple sectors because to our ability to adjust the product mix in response to changes in market demand and supply dynamics.



## Pricing advantage of our products

Since our products are the result of backward integration, we can successfully compete with other industry participants. In contrast to our competitors, we have the manufacturing flexibility to tailor our products' thickness, length, and quality, whereas they only produce and market goods in accordance with the conventional industry sizes or measurements.



## Cost advantage in manufacturing our products

We devised a production procedure that reduces expenses, giving us a competitive price edge over other companies in the sector. We have coordinated our operations such that each product follows the other without a pause, which reduces costs and saves time. In Unit I, where we manufacture the whole spectrum of our products, from MS Billets to Mild Steel (MS) Pipes and Scaffolding, we have implemented several processes.



## Strategic location of manufacturing units

Our Unit I is located near the Jadcherla industrial region, in the Mahabubnagar District, around 70 kilometres from Hyderabad. Because of this close proximity, we have easy access to raw materials, power, water and skilled labour.

Unit II is situated in the Andhra Pradesh district of Anantapur, about 18 kilometres from Bellary, one of the major centres to produce iron ore in South India. The advantages of logistics when taking accessibility and proximity into account, are provided by the connectivity between Unit II and southern markets.

## MANAGING DIRECTOR'S MESSAGE

# BUILDING PATHWAYS TO SUSTAINABLE GROWTH



I am extremely proud to be presenting our first Annual Report as a listed company. As we embark on this new journey, our sole focus will be on ensuring that we are able to deliver sustained value for all our stakeholders.



**70.03%**  
INCREASE IN  
REVENUE OVER  
FY 2020-21

**Dear shareholders,**

I hope that this finds you well and your loved ones are safe and in good health.

I want to begin by extending my heartfelt gratitude towards the medical fraternity and governments across nations for their contribution and resilience during the COVID-19 pandemic. A multitude of initiatives were undertaken towards disaster management and addressing the economic disruptions. Timely roll-out of vaccinations, stringent measures to curb the spread of the virus and effective medical recourses offered to patients, have helped the world in gradually coming close to normalcy.

The last two years were probably the most challenging one in history as the advent of the pandemic brought about a set of completely unprecedented challenges. It is fair to say that none of the economies across the globe were immune to the disruptions it brought forth, including India.

However, I am pleased to say that I am extremely optimistic about the fact that the worst is behind us now. India demonstrated remarkable resilience, validated by the fact that it grew by 8.9% during CY2021, the fastest among major global economies. This was only made possible due to wide-scale vaccination campaigns across the country, easing of Covid restrictions in a phased manner, and proactive policy response from the Government of Indian and Reserve Bank of India (RBI).

As we embark on our journey as a listed company, it is imperative to note that certain industry developments have left us with extreme optimism about what the future holds for us. We have witnessed a transition of end-user preference from angles to pipes for aesthetics and lower weight, which is bound to bode well for us. In addition to this, the increase in purchasing power among the semi-urban and rural population has significantly increased the demand for branded products and is only expected to increase over the foreseeable future.

Besides this, we have noticed an increased awareness among the consumers regarding secondary steel products. Increased awareness about the durability, finish and product life among the consumers is expected to drive demand over the foreseeable future. The overall stock in inventory has gone down to almost negligible levels and we expect to witness an uptick in demand over the foreseeable future, especially during the heightened government activity in 2024.

Despite the multitude of challenges, we demonstrated remarkable resilience and recorded impressive numbers. We recorded revenue of ₹433.28 crores, an increase of 70.03% over the previous year. Our EBITDA stood at ₹58.83 crores and posted a profit after tax of ₹31.96 crores, a substantial

increase of 68.26% and 111.19% respectively. This growth could be attributed to a culmination of factors including the integrated nature of our operations, efficient processes, price advantage and good governance, among others.

Our focus going forward will be to ensure that we continually invest in our internal capabilities and capacities to ensure we are able to carve out a larger market share. Our successful listing places us in a favourable position to embark on these pathways to capitalise on future opportunities. In addition to this, we are also working towards widening our footprint across the country. Over the years, we have been able to solidify our position in the Southern markets. Leveraging our experience and expertise, our focus will be on deepening our footprint in the existing markets as well as becoming a prominent player in western India.

We have embedded sustainability as a part of our broad strategic pillars and place emphasis on sharpening our Environment, Social and Governance (ESG) focus. Guided by our experienced Board of Directors, we are striving to reach the levels of industry benchmarks. We have also put in place targets that are a testimony of our continued commitment to sustainability. As we move through the new normal, our focus on sustainability and ESG remain strongest to the core.

Considering the ambitions we have, it is imperative that we are backed by experienced professionals, who would help us achieve our goals. We are diligently working towards attracting the right talent and expanding our management bandwidth. In addition to this, employee safety and well-being is one of our top priorities and I am extremely proud to say that as a result of our concerted focus, we recorded zero fatalities during the year under review.

We have always been a responsible organisation and are always on the lookout to widen the overall prosperity cycle. We place immense focus on environment and community-driven initiatives, in line with our firm belief: a business is only successful if it brings about a transformative change in the community. Going forward as well, this will continue to be one of our major focus areas.

On behalf of the Board of Directors, I want to thank every stakeholder for their unwavering support as we made this transition to a public company. We will uphold the highest levels of ethics and transparency as we charter a growth story that you will be proud of.

**Regards,**

**Rupesh Kumar Gupta**

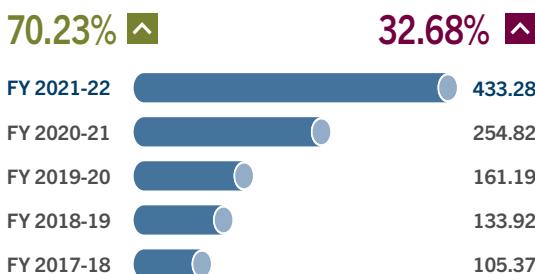
Managing Director

## KEY PERFORMANCE INDICATORS

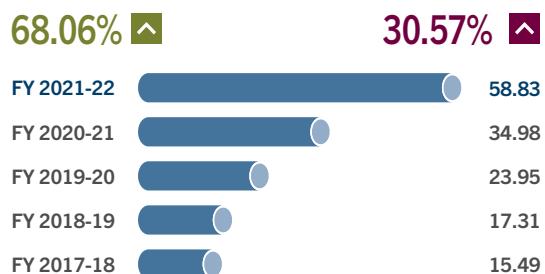
# DELIVERING A ROBUST PERFORMANCE

## Profit and Loss indicators

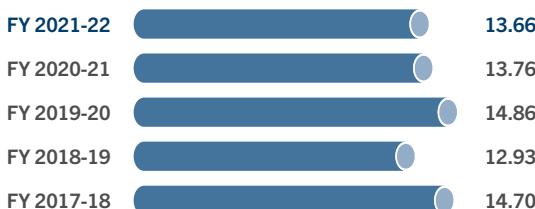
Revenue (₹ in crores)



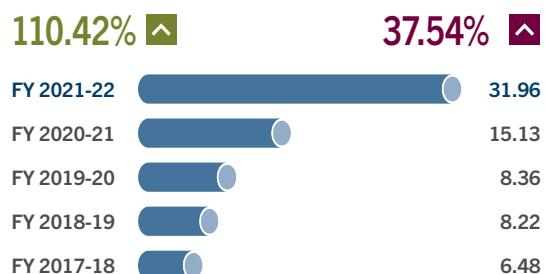
EBITDA (₹ in crores)



EBITDA Margin (in %)

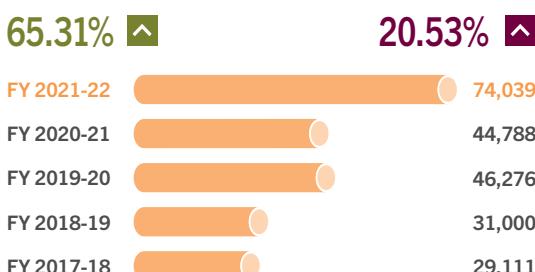


Profit After Tax (₹ in lakhs)

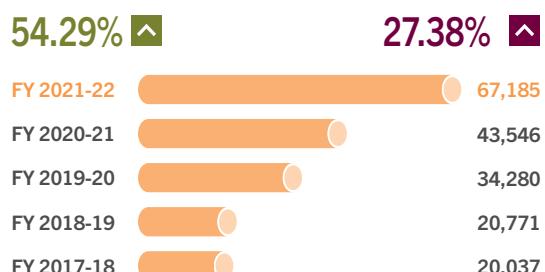


## Operational indicators

Induction furnace production (Metric tonnes)



Rolling mill production (Metric tonnes)



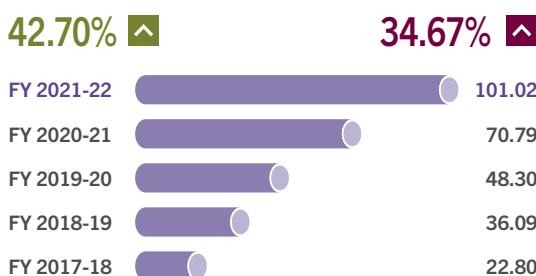
y-o-y growth

5-year CAGR

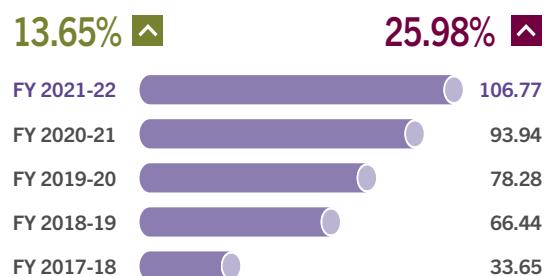


## Balance sheet indicators

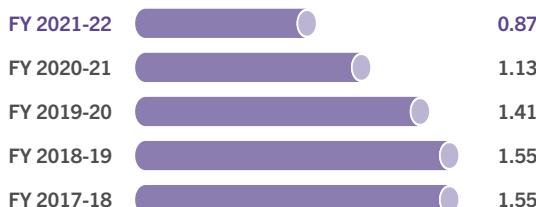
**Net Worth** (₹ in crores)



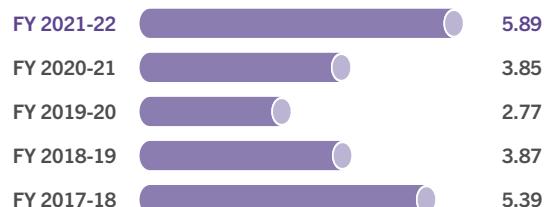
**Gross Block** (₹ in crores)



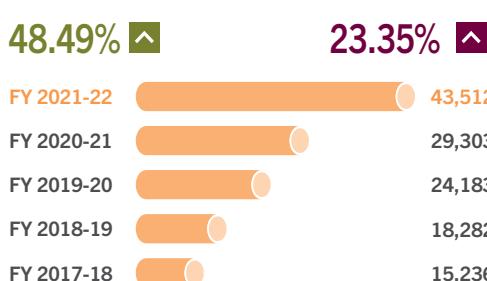
**Debt equity ratio** (X)



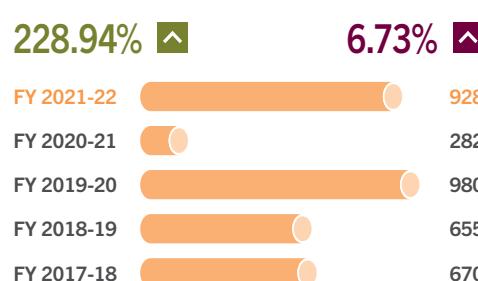
**Interest coverage ratio** (X)



**Pipe mill production** (Metric tonnes)



**Scaffolding production** (Metric tonnes)



**Sponge production** (Metric tonnes)



y-o-y growth

5-year CAGR

## OUR FOCUS AREAS

# TAKING STRIDES TO SUSTAIN VALUE

Since our inception, we have focused on improving our efficiencies and developing a healthy work environment for all our employees. Our priority remains to achieve sustainable growth and milestones in an ever-growing industry.





## Upgrading our manufacturing facilities

We have been improving our value creation model on a regular basis. We have focused on optimising our resource utilisation, improving our manufacturing process and upskilling our workers. We have invested heavily in integrating the latest technologies into our facilities. Our chemists and engineers constantly try to come up with more innovative and efficient solutions to improve our manufacturing processes.

## Increasing our operational efficiency

Over the years, we have achieved remarkable operational output due to our constant initiatives towards process improvement, customer service, quality and technology development. Going forward as well, we will continue to invest in improving our process efficiencies.

## Expanding the value we provide

We are transitioning towards manufacturing value-added products which have historically resulted in better margins and a bigger market to cater to. We are revamping and extending our current manufacturing capabilities to manufacture certain value-added products. We are diversifying our product range by expanding horizontally and vertically across many of our existing products.

## Expanding our manufacturing capacity

We are investing towards expanding our MS Pipe manufacturing capacity by setting up two more pipe mills alongside our Unit 1. This expansion is expected to increase our capacity from 84,000 MTPA to 1,32,000 MTPA. We are investing in expanding our Furnace Unit capacity from 95,832 MTPA to ~1,04,500 MTPA.

With our goal of becoming an end-to-end cost effective manufacturer of products, we are exploring backward and forward integration initiatives.

## Expanding our geographical footprint

We have recently started serving the markets in Western India alongside Southern India. Our robust distribution channels which have been pivotal to our growth over the years, have only been further developing in our existing as well as new markets. We are focused on increasing our market penetration through these established distribution channels and improve our sales in markets with lower logistical expenses.



## ENVIRONMENT

# STRIVING TOWARDS A CIRCULAR ECONOMY

As a responsible organisation, we are always working towards ensuring that we are able to reduce our carbon footprint. Our goal is to produce steel in a sustainable manner, in line with global benchmarks. We have undertaken a multitude of initiatives in this regard and will continue to do so across all business verticals to achieve greener operations.

## Recycling

In our bid to make steel in a sustainable manner and as part of our commitment to a circular economy, we recycle scrap steel and use it as a primary material in our production process. We have policies and processes in place for reducing energy usage and minimising our environmental footprint across the value chain through the usage of scrap steel and sponge iron for the production of our finished steel products.

**34%**

SHARE OF STEEL SCRAP  
AS RAW MATERIALS





## Water management

We are always working on reducing water wastage in all our manufacturing units to ensure reduced depletion of our natural resources. We place great emphasis on aligning our water conversion and management policies, and is of paramount importance while making decisions, either for a new project or expansion of an existing one.

## Pollution control

We understand the importance of maintaining the air quality in and around the areas of our manufacturing facilities. We constantly strive to reduce the emissions from our manufacturing processes and have strategies in place to further reduce it over the foreseeable future to ensure a safe environment for our employees, communities and have a positive impact on the environment.

## Renewable energy

One of our major focus areas is to ensure the increase renewable power resources in our total energy mix. As of 31st March, 0.39% of our power requirements were met through renewable sources. We have also been procuring renewable energy from Indian Energy Exchange (IEX) for. By FY 2022-23, we intend on installing new solar rooftops with a power generation capacity of 1,500 Kwhp in our manufacturing units.

**0.39%**

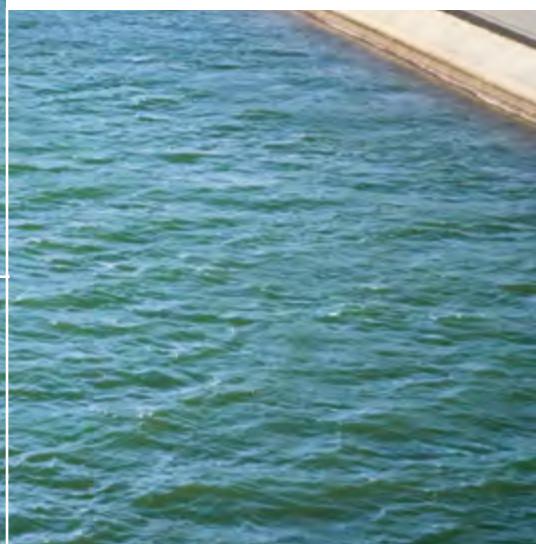
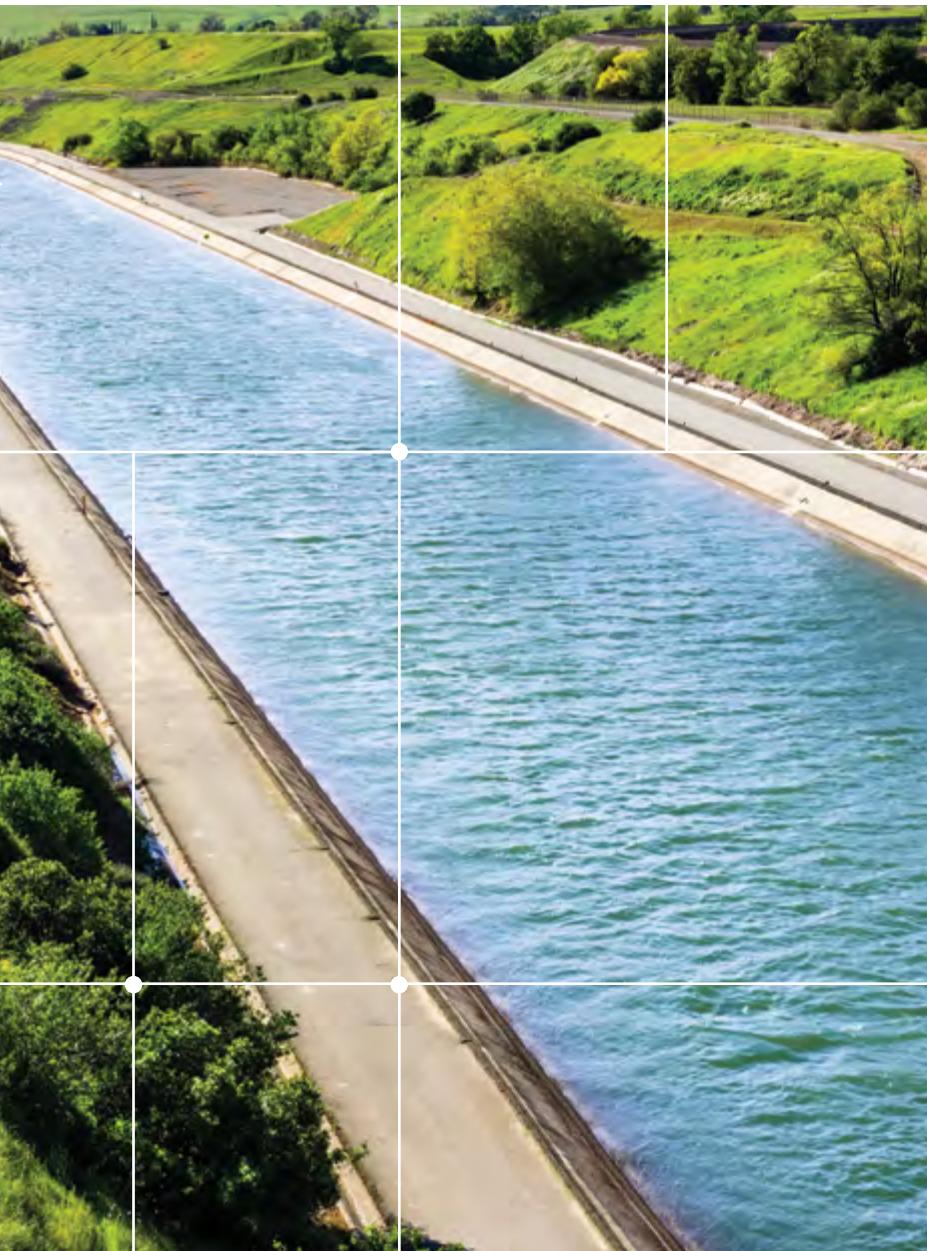
SHARE OF POWER CONSUMPTION  
ADDRESSED THROUGH RENEWABLE  
SOURCES

## Green cover

One of our primary focus areas with regards to the environment is to increase the green cover in and around the areas of our manufacturing units. We constantly take part in initiatives such as planting trees to increase the green cover in the areas surrounding the factory.

**2,000**

SAPLINGS PLANTED  
DURING FY 2021-22



**SOCIAL**

# BEING A RESPONSIBLE CORPORATE

At Hariom, we have been able to form long-standing relationships with all stakeholders including our customers, employees and communities. One of our major goals as an organisation is to ensure we further nurture these relationships as we believe that this is a pivotal aspect of any sustainable business.

## Employees

We have always reiterated that employees are our biggest drivers of success over the years. Our focus has always been on harbouring a safe and inclusive work environment for all our employees. During the year, our primary focus was on maintaining health and safety of our employees while maintaining continuity of our business operations. As a result of this focus, no injuries were recorded during the year.

In addition to this, we heavily invest in learning and development programmes to create a future-ready leadership pool, while simultaneously equipping them with the relevant skills and abilities.

**48 hours**

AVERAGE TRAINING HOURS CONDUCTED PER EMPLOYEE

**Zero**

ACCIDENTS RECORDED DURING THE YEAR





## Customers

Ensuring customer satisfaction is one of our biggest priorities and have always placed great emphasis in this regard. As a result, we have undertaken a multitude of initiatives over the years to enhance customer satisfaction. In addition to providing a diversified product basket, we also provide additional services like providing support teams for training of fabricators, dedicated customer service teams to understand requirements of key customers and customer training and extending of credit, among others.

**~45%**

CUSTOMERS ASSOCIATED  
WITH US FOR 5+ YEARS



## Communities

We believe it is the responsibility of every responsible organisation to ensure that it works towards the upliftment of communities it is involved with. At Hariom, we place great emphasis in the areas of healthcare, education, preservation of natural resources, animal welfare and children welfare, among others. In line with this, we undertake a multitude of initiatives to bring about a transformative change in the communities we serve.

**₹21.40 lakhs**

CSR SPEND IN FY 2021-22



## GOVERNANCE

# LEADING BY EXAMPLE

**Good governance is one of our main priorities and we strongly believe in implementing good corporate governance across all the verticals of the organisation. We are an ethical company and have a robust corporate governance framework in place to ensure effective engagement with all our stakeholders and enable us to deliver long-term value.**

We have a strategically sorted governance framework in place adequately comprising of Independent Directors, Nominee Directors and Promoter Directors as well as the constitution of the committees of the Board of Directors, as required under applicable laws. We strive to ensure that we maintain the highest levels of transparency, accountability, awareness and equity in all aspects of operations.

Since we are a listed company, we have to comply with the applicable provisions of the Listing Regulations, as amended with respect to Corporate Governance, including the appointment of the Independent Directors and constitution of the committees. The Board of Directors function either as a full Board or through various committees formed to monitor specific operational areas. We continuously focus on designing and improving the flow of activities in an effective manner, which ensures economic prosperity and long-term value creation for the enterprise as well as for the stakeholders over the foreseeable future.





## Board of Directors



**Pramod Kumar Kapoor**

Chairman and  
Independent Director



**Rupesh Kumar Gupta**

Managing Director



**Sailesh Gupta**

Whole-Time Director



**Sunita Gupta**

Non-Executive Director



**Shanti Sree Bolleni**

Independent Director



**Rajender Reddy Gankidi**

Independent Director



**Soumen Bose**

Additional Independent  
Director

Mr. Soumen Bose was added as an Additional Independent Director during FY 2022-23. We believe his experience and inputs will go a long way in helping us realise our potential as a listed company.

## Management Team



**Rupesh Kumar Gupta**

Managing Director



**Sailesh Gupta**

Whole-time Director



**Amitabh Bhattacharya**

Chief Financial Officer



**Chirag Partani**

Company Secretary &  
Compliance Officer



**Ashish Agarwal**

Marketing Head

# Management Discussion & Analysis

## Economic Review

As India continues to recover from a turbulent couple of years caused by the pandemic. The Government of India (GoI) rolled out many policies, initiatives and schemes to enable the economy to grow at a rapid pace. These were very successful as India's growth recovery was incredible with forecasts pointing towards a continued stable growth in the upcoming years. The Indian GDP grew at 8.7% in FY 2021-22 and is expected to register a growth of 7.4% in 2022-23.

### GDP Growth of India<sup>1</sup>

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
(6.6)	8.7	7.4	6.1

<sup>1</sup> International Monetary Fund (IMF)

### GVA at Basic Price by Economic Activity for 2021-22 (at 2011-12 prices)

Industry	Q1	Q2	Q3	Q4	2022
Agriculture & Allied Activities	2.2	3.2	2.5	4.1	3.0
Mining & Quarrying	18.0	14.5	9.2	6.7	12.1
Manufacturing	49.0	5.6	0.3	-0.2	13.7
Construction	71.3	8.1	-2.8	2.0	19.7
Finance, Insurance, Real Estate & Business Services	2.3	6.1	4.2	4.3	4.2
GVA	28.6	7.5	2.7	3.4	10.5

## Government initiatives

The Government of India rolled out many fiscal programmes to further boost the economic recovery of the country. Budget 2022-23 focuses on macro-economic issues and micro-economic issues to continue making an 'Aatmanirbhar Bharat' (self-reliant India). With many schemes across sectors, populations across the country will thrive and grow to strengthen the economy push for growth.

## PLI Schemes

Aligning itself with India's "Make in India" policy, a Production-Linked incentive (PLI) scheme has been placed for the specialty steel industry. The country wants to lower its dependence on exports by expanding and improving its local production capacity of specialty steel products. The PLI scheme which will be applicable from FY2023-24 to FY2028-29, is expected to benefit all the steel players in the country irrespective of their size.

## Highlights of Budget, 2022-23

**60** lakhs  
NEW JOB CREATIONS

**₹20,000** crores  
FUNDS ALLOCATED FOR NATIONAL HIGHWAYS NETWORK EXPANSION

**14**  
SECTORS IMPACTED

**₹60,000** crores  
ALLOCATED TOWARDS HOUSING FOR ALL



## Outlook

We are confident that FY 2022-23 will be a prosperous year in terms of growth. The economies across the world have experienced a steady growth post-pandemic with India also being one of them. With a GDP of 8.7% for FY 2021-22, India has become one of the highest growing economies. This kind of recovery has only been made possible by consistent fiscal packages and quick changes in consumer habits. Investments in infrastructure across the country is going to enable this growth and we want to play a role in catalysing this growth. India's growth is not expected to slow down anytime soon however, geopolitical tensions might provide friction to this growth.

## Steel industry overview

The demand for steel is expected to increase substantially due to government's continues investments in public infrastructure coupled with the rapid recovery of the economy. All the forecasts predict a steady run for the steel industry in FY2022-23. With the Ukraine-Russia conflict, there is a possibility of increase demand for exports for the industry in the coming years.

The demand for steel is expected to grow at ~8% in FY2022-23 according to Investment Information and Credit Rating Agency of India (ICRA) limited. Due to many fiscal policies and changes in the entire environment over the years, the steel industry is now more resilient to changes with industry capacity utilization expected to be ~80%.

### Total crude steel production of India<sup>2</sup>

(in MT)

FY 2021-22		120
FY 2020-21		102
FY 2019-20		109
FY 2018-19		111
FY 2017-18		103

<sup>2</sup>IBEF

## Growth drivers of the Indian steel industry

Growing demand	Policy support	Increasing Investment
<ul style="list-style-type: none"> <li>Rapid growth in demand in the construction and the automotive industry</li> <li>Government's push for infrastructure projects across the country</li> <li>Increase in demand for capital goods across the country</li> </ul>	<ul style="list-style-type: none"> <li>Invitation for 100% Foreign Direct Investment in the steel sector inviting major investments</li> <li>PLI schemes directed towards the enhanced and extended growth of the steel industry</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnerships and many Memorandum of Understandings (MoUs) signed leading to a boost in investments</li> <li>Steel sector alone has received an invitation of ~\$40 billion in the past few years</li> </ul>

## Risk Management

### Liquidity risk

Expansion projects have always put more pressure on our liquidity. To mitigate this risk, we fund majority of our projects through internal accrual, with cash generated from the projects already completed getting ploughed back to our capital expenditure. We expect the risk on balance sheet to diminish significantly as we are transitioning towards a digital mode, leading to a decrease in our financial leverage.

### Quality risk

Over the years, we have established such a leading market position because of our quality of products and our approach to consumer engagement. We recognize that failure to maintain this quality can drastically impact our market position. We constantly review our operations to identify any gaps there might which can potentially impact the quality and take necessary measures to ensure that those gaps are filled.

### Customer risk

We value each and every consumer of ours and recognize the revenue each and every consumer brings. As we continue to expand our horizons and add more consumers to our client base, we diversify our source of revenue which helps us ensure that we are not reliant on only a few number of clients.

### Price risk

Supply chain disruptions and inflation can impact pricing of our raw materials, to tackle this we have transitioned to a backward integration model which has enabled us to control our margins. Our premium products have led to an increase in our profitability margins as we expand our product portfolio to continue this trend.

### Regulatory risk

Our internal control system and stringent compliance process ensure that we comply with all the policies and regulations. We have established a 'zero tolerance' internal policy when it comes to non-compliance.

## Financial performance

- We posted revenues of ₹ 433.28 crores compared to ₹ 254.82 crores in the previous year, a substantial increase of 70.03%.
- Our EBITDA stood at ₹ 58.83 crores compared to ₹ 34.97 crores in the previous year, an increase of 68.26%.
- We posted a profit after tax of ₹ 31.96 crores, compared to ₹ 15.13 crores in the previous year, a significant increase of 111.19%.

## Key numbers and ratios

Parameter	FY22	FY21
Debtor Turnover (Days)	18.51	11.99
Inventory Turnover (Days)	2.99	2.48
Operating Profit Margin (%)	11.78	11.30
Current Ratio (x)	1.97	1.62
ROCE (%)	37.43	27.41
EBITDA/Turnover	0.14	0.14
Interest Coverage Ratio (x)	7.19	4.65
Debt equity Ratio (x)	0.87	1.13
Return on equity (%)	31.64	21.38
EBITDA (%)	13.58	13.72

## Product-wise performance

Name of Product	FY22	FY21	% Change
MS Tubes	28,631.65	15,061.74	90.10
Scaffolding	769.00	141.09	445.05
Other steel products	13,656.00	10,211.07	33.74

## Internal control

Our robust internal control system comprises of a stringent and continuous internal audit process which help us to monitor and safeguard our assets. We have entrusted our Audit Committee with the responsibility of ensuring compliance in a dynamic regulatory environment and reviewing reports presented by internal auditors on a regular basis. The committee takes the necessary steps after its observations.

## Forward-looking statement

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectations may constitute certain statements which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and in the countries with which the Company conducts business and other incidental factors.



# Board's Report

To  
The Members of  
**Hariom Pipe Industries Limited**

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'HPIL'), along with the audited financial statements, for the financial year ended 31<sup>st</sup> March, 2022.

## Financial Results:

Particulars	2021-22	(Amount in ₹)
Income from operations	4,30,56,65,051	2,54,13,89,285
Other income	2,71,49,654	68,41,673
Total Revenue	4,33,28,14,705	2,54,82,30,958
Profit before Depreciation, Finance Costs and Tax Expense	58,83,42,142	34,96,71,035
Less: Depreciation	8,10,53,080	6,25,76,554
Less: Finance Cost	8,18,69,820	7,51,20,885
Profit/(Loss) before Tax (PBT)	42,54,19,242	21,19,73,596
Total Tax Expenses	10,58,47,090	6,06,54,043
Profit/(Loss) after Tax (PAT)	31,95,72,152	15,13,19,553

## Operational Review:

Your Company has recorded total revenue of ₹ 4,33,28,14,705 as compared to ₹ 2,54,82,30,958 in the previous financial year. The Net profits of the Company has grown and stood at ₹ 31,95,72,152 as against a profit of ₹ 15,13,19,553 in the Previous Financial Year.

Your Company continues to engage with customers to maintain long term partnerships and develop new ones. Your Directors are optimistic about Companies business and hopeful of more better performance with more increased revenue next year.

## Change in the nature of the business, if any:

There is no change in the nature of the business of the Company during the year under review.

## Dividend:

Your Board did not recommend any dividend for the financial year 2021-2022.

## Changes in Capital:

### 1. AUTHORISED CAPITAL:

The Authorised Share capital of the company is ₹ 32,00,00,000/- as on 31<sup>st</sup> March, 2022.

The Authorized Capital of the Company was increased from ₹ 28,00,00,000/- to ₹ 32,00,00,000/- vide resolution passed by the members in their meeting held on 14<sup>th</sup> September, 2021.

### 2. PAID UP CAPITAL:

The total paid up capital of the Company is ₹ 20,29,24,040 divided into 16976204 Equity Shares of ₹ 10/- each and 3316200 Preference Shares of ₹ 10/- each as on 31<sup>st</sup> March, 2022. During the FY 21-22 paid up capital increased from ₹ 20,27,74,040 to ₹ 20,29,24,040 due to the following allotment.

- On 08/05/2021 Company has allotted 15,000 Equity Shares of ₹ 10/- each as private placement.

## Material Changes and Commitments:

Following material changes occurred after the close of the Financial year till the date of this report which may affect the financial position of the Company.

### • Initial Public Offer:

The Company has successfully completed its Initial Public offering of 85,00,000 Equity Shares of ₹ 10/- each to public. The allotment for the same was made on 08<sup>th</sup> April, 2022.

The Equity Shares of the Company got Listed on BSE Limited and National Stock Exchange of India Limited on 13<sup>th</sup> April, 2022.

### • Credit Ratings:

The CRISIL Ratings had assigned following rating vide its letter dated 05<sup>th</sup> April, 2022, to the company:

SI. No.	Instrument Type	Rating/ Outlook
1	Long Term Borrowings	CRISIL BBB+/Stable
2	Short Term Borrowings	CRISIL A2

### • Appointment of Additional Director:

Mr. Soumen Bose (DIN: 09608922) was appointed as Additional Director at the Board meeting held on 10.06.2022.

## Auditors and Auditors Report:

### 1. Statutory Auditors and Statutory Auditors Report:

M/s R Kabra & Co LLP, Chartered Accountants (Firm Registration No. 104502W/W100721) was appointed as the joint Statutory Auditors of the Company along with Rakesh S Jain & Co, Chartered Accountants for a period of five years from the conclusion of the 14<sup>th</sup> Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting of the Company to be held in the year 2026.

M/s Rakesh S Jain & Co, Chartered Accountants was appointed as the Statutory Joint Auditors of the Company at the 10<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 for a term of Five years, and they shall retire at the conclusion of the ensuing 15<sup>th</sup> Annual General Meeting of the Company. The Board of Directors placed on record their appreciation for the retiring auditors.

The Audit Committee and Board of Directors does not propose any other Auditor to be appointed in place of M/S Rakesh S Jain & CO, Chartered Accountants.

M/s R Kabra& Co LLP, Chartered Accountants (Firm Registration No. 104502W/W100721) will continue as the Statutory Auditors of the Company.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

## 2. Cost Auditors and Cost Auditors Report:

As per the provisions of Section 148 of the Companies Act 2013 read with the Companies (Cost and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditor) Rules, 2014, M/s Sheshadri & Associates, Cost Accountants, (Firm Registration No. 101476) were appointed as Cost Auditors of the Company in the Board meeting held on 28<sup>th</sup> August, 2021, to conduct audit of Cost records maintained by the Company for Financial year ending 31<sup>st</sup> March, 2022.

The Auditors report does not have any qualification, reservation or adverse remarks.

## 3. Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board of Directors of your Company at their meeting held on 25<sup>th</sup> October, 2021 has appointed M/s. VSSK & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure - III**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

## 4. Internal Auditor and Internal Audit Report:

Pursuant to the provisions of Section 138 and any other applicable provisions of the Companies Act, 2013, Board of Directors of your Company at their meeting held on 25<sup>th</sup> October, 2021 has appointed M/s. Venkatswamy & Co, Chartered Accountants (Firm Regn. No. 021140S) as an Internal Auditor of the Company. The Internal Auditors submits their reports on quarterly basis.

During the year the Company has appointed M/s Ravi Ladha & Co, Chartered Accountants as Internal Auditor of the Company for the FY 2022-23.

## 5. Reporting of frauds by Auditors:

During the year under review, the Statutory Auditors, Cost Auditors, Secretarial Auditors and Internal Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

## Details of Directors or Key Managerial Personnel who were appointed or re- appointed or resigned during the year

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mrs. Sunita Gupta, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the forthcoming Annual General

Meeting. Brief profile of Mrs. Sunita Gupta has been given in the Notice convening the Annual General Meeting.

### • Appointment of Independent Directors

1. Mrs. Shanti Sree Bolleni was appointed as an Additional Director-Non executive & Independent on the board on 15<sup>th</sup> May, 2021. She was appointed as a Independent Director in the Extraordinary General Meeting held on 21<sup>st</sup> July, 2021.
2. Mr. Rajender Reddy Gankidi was appointed as an Additional Director- Non executive & Independent on the board on 15<sup>th</sup> May, 2021. He was appointed as a Independent Director in the Extraordinary General Meeting held on 21<sup>st</sup> July, 2021.

Except as mentioned above, none of the Directors or Key Managerial Personnel were appointed or re- appointed or resigned during the year.

## Declaration given by Independent Directors:

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013. The Company received the declarations from the Independent Directors confirming that they meet the criteria as mentioned in the Companies Act, 2013.

Company also received Declaration from Independent Directors under Regulation 25 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 at the Board Meeting held on 06<sup>th</sup> May, 2022.

## Details of Subsidiaries, Associates and Joint Ventures:

Your Company has no subsidiary companies, no Associate companies and no joint ventures.

## Secretarial Standards:

The applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied by your Company.

## Details in respect of adequacy of internal financial controls with reference to the financial statements:

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources acquired are used economically.

## Quality and Systems:

Your company continues to maintain its certification under the Integrated Management Systems with certifications under ISO 9001:2015.

## Annual Return:

The Annual Return of the Company as on 31<sup>st</sup> March, 2022 is available on the Company's website and can be accessed at [www.hariompipes.com/investor-relations](http://www.hariompipes.com/investor-relations).



### **Deposits:**

The company has neither accepted nor renewed any deposits falling within the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 including any modification, amendment and reenactment thereto for the time being in force from the public during the financial year.

### **Number of Board Meetings held during the year:**

The Board of Directors duly met 13 (Thirteen) times during the year and in respect of which meetings, proper notices were given and the proceedings were properly recorded.

### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually, including Independent Directors, Managing Director, Wholetime Director. The Feedback was sought by way of a structured questionnaire covering various aspects as required by law.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

### **Meeting of Independent Directors:**

During the year under review, the Independent Directors met on 31<sup>st</sup> March, 2022 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

### **Directors' Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the period ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the statement of profit of the company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the accounts for the period ended 31<sup>st</sup> March, 2022 on a 'Going Concern' basis and
- e) that the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial controls are adequate and operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Management Discussion and Analysis:**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31<sup>st</sup> March, 2022.

### **Corporate Governance Report:**

Pursuant to Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance is herewith annexed as **Annexure - VI** to this report. The Secretarial Auditors of the Company have examined the Company's compliance and have certified the same as required under the Listing Regulations.

### **Conservation of Energy, Technology Absorption and Foreign Exchange earnings / outgo:**

The details regarding conservation of Energy, Technology Absorption Foreign Exchange Earnings / Outgo are attached as **Annexure - I** to this report.

### **Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act 2013:**

The Company has not given any Loans, Guarantees or made any Investments under section 186 of the Companies Act 2013.

### **Particulars of Remuneration**

Disclosure of ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as **Annexure- IV**. Further, particulars of employees pursuant to Rule 5(2) & 5(3) of the above Rules form part of this report. The said information is available for inspection at the registered office of the Company during working days of the Company up to the date of the ensuing annual general meeting.

#### **Contracts or Arrangements with Related Parties:**

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. The details of which is disclosed in Form AOC-2 as **Annexure - II**, pursuant to the requirements of section 134(3)(h) of the Companies Act, 2013, which forms part of this Annual Report.

#### **Transfers to Reserves:**

The Company does not propose any amount to be transferred to reserves.

#### **Vigil Mechanism/ Whistle Blower Policy:**

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group.

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

#### **Risk Management:**

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company.

#### **Details about the Corporate Social Responsibility Policy Developed and Implemented by the Company**

The Board is in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made there under. The board has Corporate Social Responsibility Policy aligned with Section 135 of the Act and rules made thereunder. A detailed report on the CSR activities taken up by your Company is annexed as **Annexure - V** to this report.

#### **Committees of the Board:**

- **Audit Committee:**

The constitution of Audit Committee is as follows:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mrs. Shanti SreeBolleni	Independent Director	Chairperson
2.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Member
3.	Mr. Rajender Reddy Gankidi	Independent Director	Member

- **Nomination and Remuneration Committee:**

The constitution of Nomination and Remuneration Committee is as follows:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rajender Reddy Gankidi	Independent Director	Chairman
2.	Mrs. Shanti SreeBolleni	Independent Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Member

- **Constitution of Stakeholders Relationship Committee:**

The constitution of Stakeholders Relationship Committee is as follows:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Chairman
2.	Mrs. Shanti SreeBolleni	Independent Director	Member
3.	Mr. Rajender Reddy Gankidi	Independent Director	Member

- **Constitution of Corporate Social Responsibility Committee:**

The constitution of Corporate Social Responsibility Committee (CSR) is as follows:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rupesh Kumar Gupta	Managing Director	Chairman
2.	Mr. Sailesh Gupta	Whole time Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Member

The company has adopted policy on CSR, NRC and other mandatory policies. The same can be viewed on the website of the company <https://www.hariompipes.com/investor-relations-policies.php>

#### **Policy on Sexual Harassment:**

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31<sup>st</sup> March, 2022, the company has not received any complaints pertaining to sexual harassment.

**Significant and material orders passed by the regulators or courts:**

The company has not received any significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**Proceeding pending under the insolvency and bankruptcy code, 2016:**

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

**Acknowledgements:**

Your Directors express their sincere thanks for the continued support and encouragement extended by its Bankers, Government of Andhra Pradesh and Telangana and other Government Bodies both at the Centre and at the States.

Your Directors wish to express their heartfelt thanks to the shareholders for the continued resources, energy and methods of improvement that they have actively injected into the Company and the constant support to its management.

Your Directors wish to place on record their deep sense of appreciation for the constructive attitude, hard work and proactive contribution made by all its employees.

For and on behalf of the Board  
**Hariom Pipe Industries Limited**

Sd/-

**Rupesh Kumar Gupta**

Managing Director

(DIN: 00540787)

Sd/-

**Sailesh Gupta**

Whole-time Director

(DIN: 00540862)

Place: Hyderabad

Date : 10-08-2022

## Annexure - I

### Information under section 134(3) (m) of the companies act, 2013, read with companies (accounts) rules, 2014.

#### A. Conservation of Energy:

- i) The Company being a manufacturing unit have been using hot charge technique for round rolling, the billets are delivered for hot rolling in the wire rod or bar mill after they exit the casting unit but before they lose all their heat [1]. The main feature and advantages of hot charging technique are:
- Energy savings,
  - Decreasing billet inventory / yard space
  - Reducing production cycle time
  - Billet surface quality defects prevention during the cooling process. Also the management of the have been making continuous efforts to identify the areas of energy conservation for effecting improvements.
- ii) The Company have been procuring energy from Indian Energy Exchange (IEX) as an alternative for procuring energy as and when required.
- iii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

The Company is planning to Install new Solar Roof tops of 1500 Kwhp in the current Financial year to meet its power consumption requirements in a efficient manner.

#### B. Technology Absorption:

i) The efforts made towards technology absorption:	NIL
ii) the benefits derived like product improvement, cost reduction, product development or import substitution:	NIL
iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
(a) the details of technology imported:	NIL
(b) the year of import:	NIL
(c) whether the technology been fully absorbed:	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	NIL
iv) the expenditure incurred on Research and Development:	NIL

#### C. Foreign Exchange Earnings and outgo:

Activities relating to exports and initiatives taken to increase export products, services and export plans: NIL

Foreign Exchange earnings and outgo:  
(On receipts and payments basis)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	Nil	5,256
Foreign Exchange Outgo	539	Nil

For and on behalf of the Board  
**Hariom Pipe Industries Limited**

Sd/-  
**Rupesh Kumar Gupta**  
Managing Director  
(DIN: 00540787)

Sd/-  
**Sailesh Gupta**  
Whole-time Director  
(DIN: 00540862)

Place: Hyderabad  
Date : 10-08-2022



## Annexure - II

### Form No. AOC-2 Details of Related Party Transactions

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

The company has not entered into any contract or arrangement or transaction which is not at arm's length basis during the year under review.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

The following are the details of the transaction.

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Date(s) of approval by the Board, if any
Mr. Rupesh Kumar Gupta	Rent paid (Expenses)	NA	Rent of ₹ 55,000/- Per Month.	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable.	NIL
Ms. Parul Gupta	Rent paid (Expenses)	NA	Rent of ₹ 35,000/- Per Month		NIL
Mr. Sailesh Gupta	Rent paid (Expenses)	NA	Rent of ₹ 50,000/- Per Month		NIL
Ultra Pipes	Sale of Goods	NA	₹ 92,66,83,924/-		NIL
Ultra Pipes	Purchase of Goods	NA	₹ 85,39,38,711/-		NIL
Lakshit Trade Link	Purchase of Goods	NA	₹ 2,53,68,259	However, necessary approvals were granted by the Audit Committee from time to time.	NIL

For and on behalf of the Board  
**Hariom Pipe Industries Limited**

Sd/-

**Rupesh Kumar Gupta**

Managing Director

(DIN: 00540787)

Sd/-

**Sailesh Gupta**

Whole-time Director

(DIN: 00540862)

Place: Hyderabad

Date : 10-08-2022

## Annexure - III

### Form No. MR-3

#### Secretarial Audit Report

For The Financial Year Ended 31<sup>st</sup> March2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**M/s. Hariom Pipe Industries Limited**  
L27100TG2007PLC054564  
3-4-174/12/2, 1<sup>st</sup> Floor, Samarpam,  
lane beside Spencer's Pillar No. 125,  
Attapur Hyderabad TG 500048 IN.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARIOM PIPE INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period).
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;(Not applicable to the Company during the audit period)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable for Initial Public Offer of the Company.
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period).
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).

- (vi) I have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company. The list of major head or groups of Acts, Rules, Laws and Regulations as applicable to the Company is given in **Annexure B**.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.



### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, or at shorter notice duly consented by the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

### Ordinary Resolutions passed during FY 21-22

1. Approval of Audit Financials Statements. (AGM dated 14/09/2021)
2. Rotation of Director.(Sunita Gupta). (AGM dated 14/09/2021)
3. Ratification of remuneration of Cost Auditor. (AGM dated 14/09/2021)
4. Increase in Authorised Capital. (AGM dated 14/09/2021).
5. Appointment of Joint Statutory Auditors at AGM for 5years (R Kabra). (AGM dated 14/09/2021).
6. Appointment of Joint Statutory Auditors upto AGM (R Kabra). (EGM dated 21/07/2021)
7. Appointment of Independent Directors (Mrs. Shanti Sree Bolleni and Mr. Rajender Reddy)(EGM dated 21/07/2021)

### Special Resolutions passed during FY 21-22

1. Issue and allotment of Equity Shares to the Public (Initial Public Offer). (AGM dated 14/09/2021)
2. Increase in Borrowing Limit from 200 crores to 500crores. (EGM dated 28/01/2022)
3. Creation of charge on Movable & Immovable properties. (EGM dated 28/01/2022)

### Preference shareholder- class meeting during FY 21-22 Dated 26/11/2021

1. Variations in Terms of 0% Series A Redeemable Preference Shares of ₹ 10/-

This Report is to be read with our letter of even date which is annexed as **Annexure A** and which Forms an integral part of this report.

For VSSK & Associates, Company Secretaries

**CS Vinod Sakaram,**  
Partner

PCS: 8345

UDIN: A023285D000682922

Place: Hyderabad

Date: 25-07-2022

**Annexure - A**

To,  
The Members  
**HARIOM PIPE INDUSTRIES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VSSK & Associates, Company Secretaries

**CS Vinod Sakaram,**

Partner

PCS: 8345

UDIN: A023285D000682922

Place: Hyderabad

Date: 25-07-2022



## Annexure - B

### I labour and workplace related laws

1. Employees Provident Funds & Misc. Provisions Act 1952
2. Employees State Insurance Act, 1948
3. Payment of Gratuity Act, 1972
4. Minimum Wages Act, 1948
5. Equal Remuneration Act, 1976
6. Payment of Wages Act, 1936
7. Workmen's Compensation Act, 1923
8. Maternity Benefit Act, 1961
9. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
10. Labour Welfare Fund Act, 1952
11. Contract Labour (Regulation & Abolition) Act, 1970
12. Telangana Tax on Professions, Trades, Callings and Employments Act, 1987
13. Factories Act, 1948 and allied State Laws.
14. Industrial Employment (Standing Orders) Act, 1946
15. Industries (Development & Regulation) Act, 1951
16. The Child Labour (Regulation and Abolition) Act, 1970
17. The Industrial Disputes Act, 1947

### II Economic & Misc Laws

1. Negotiable Instrument Act, 1881
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

### III Revenue Laws

1. Income Tax Act, 1961
2. Indian Stamps Act, 1899
3. Indian Contract Act, 1872
4. Good and Services Tax Act, 2017.

### IV Environmental Laws

1. Environment (Protection) Act, 1986 and the rules, notifications issued thereunder
2. The Water (Prevention & Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
3. Air (Prevention & Control Pollution) Act, 1981 and the rules and standards made thereunder
4. Hazardous Wastes (Management, Handling & Transboundary Movement) Amendment Rules, 2013.
5. Telangana Fire Service Act, 1999

For VSSK & Associates, Company Secretaries

**CS Vinod Sakaram,**  
Partner

PCS: 8345

UDIN: A023285D000682922

Place: Hyderabad

Date: 25-07-2022

## Annexure - IV

### Report on Managerial Remuneration

[As per Section 197 of the Companies Act, 2013, Read with Rule 5 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**(A) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of the company are as under:

Name	Designation	Remuneration of Director KMP for the financial year 2021-22 (Amount in ₹)	Ratio of Remuneration of each Director to median remuneration of employees	% increase in Remuneration in the financial year 2021-22
Rupesh Kumar Gupta	Managing Director	1,80,00,000	124.38	-
Sailesh Gupta	Wholetime Director	1,44,00,000	99.50	-
Amitabha Bhattacharya	Chief Financial Officer	16,32,850	11.28	15.47
Chirag Partani	Company Secretary& Compliance Officer	8,26,375	5.71	35.44

- i. The median remuneration of employees' of the Company during the financial year was ₹ 1,44,716.50/-.
- ii. There were 236 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022.
- iii. The percentage increase in the median remuneration of employees in the financial year ending 31<sup>st</sup> March, 2022 was 38%.
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase in the salaries of the employees other than KMP's is 4.07% as compared to FY 2020-21, which is in -line with the industrial practice and Company's policy whereas there is an aggregate Increase of 1.47% in the remuneration of KMPs in FY 2021-22 as compared to previous year, as per succession planning of the Company during FY 2021-22.

- v. The Company affirms that remuneration is as per the Nomination and remuneration policy of the Company.



**(B) Statement of Particulars of Employees Pursuant to Provisions of Rule 5 (2) of Section 197 (12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name & Designation	Remuneration received (Amount in ₹)	Nature of employment, whether contractual or otherwise	Qualification and experience	Date of Commencement of employment	Age	The last employment held before joining the Company	Whether the employee is a relative of any director or manager of the company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule(2) of Rule 5
1	Rupesh Kumar Gupta, Managing Director	180,00,000	P	Undergraduate with more than 2 decades of experience in Steel Industry.	21 <sup>st</sup> June, 2007 (Incorporation)	45	-	Yes	16.46
2	Sallesh Gupta, Wholifetime Director	144,00,000	P	B.Com Graduate with more than a decade of experience in marketing.	09 <sup>th</sup> January, 2010	40	-	yes	11.53
3	Paul Gupta, Human Resource Officer	36,00,000	P	Graduate and has a experience of 7 years in steel I industry.	01 <sup>st</sup> October, 2014	43	-	Yes	3.56
4	Isha Gupta, Brand manager	36,00,000	P	Undergraduate and has a experience of 7 years in steel I industry.	01 <sup>st</sup> October, 2014	37	-	Yes	2.53
5	Rakesh Kumar Gupta, Technology Advisor	24,00,000	P	Undergraduate with more than 4 decades of experience in Steel Industry.	-	68	-	Yes	6.44
6	Anand Kumar Joshi,D, President Human Resource and Business Strategy	21,75,000	P	Master in Business Administration (Human Resource) with more than 27years of experience in HR Field.	03 <sup>rd</sup> February, 2021	49	MS AGARAWAL GROUP	No	Nil
7	Naveen Shukla Marketing Manager	17,32,515	P	B.A LL.B with more than 20years of experience in steel Industry.	01 <sup>st</sup> June, 2019	44	Fortune Group	No	0.008
8	Amitabha Bhattacharya, Chief Financial Officer (CFO)	16,32,850	P	B.Com, Msc and more than 20 years of experience in Diverse Industries.	01 <sup>st</sup> July, 2007	46	Hariom metal Tubes Private Limited	No	0.20
9	Ashish Agarwal, Marketing Head	15,23,400	P	MBA with more than a Decade of experience in steel Industry.	24 <sup>th</sup> September, 2011	44	Class Teacher Learning Systems	No	0.020
10	Maruti Chindhu Jadhav, General Manager Production (Pipe Unit)	10,98,400	P	B.Sc with more than 36years of experience.	01 <sup>st</sup> September, 2020	61	Zenith Birla (India) Limited	No	Nil

## Annexure - V

### **Annual Report on Corporate Social Responsibility (CSR) Activities**

(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

**1. Brief outline on CSR Policy of the Company, including overview of projects / programmes undertaken:**

A belief that sustainable business drives superior performance, lies at the heart of our work at M/s. Hariom Pipe Industries Limited (HPIL). We seek to deliver long-term sustainable growth while reducing our environmental footprint and increasing our positive social impact.

Over the years we have strived to serve communities through various initiatives. However, we need to do much more, considering the pressing challenges facing the world such as climate change and inequality, businesses need to play a significant role in addressing them.

Our sustainable business strategy is set to help us deliver superior performance by being a purpose-led, future-fit business. It will guide us drive sustainable and responsible growth in the years to come. Within this, there is a comprehensive and ambitious set of commitments and actions to:

- Provide Education to the Economically Backward Class;
- Improve people's health, confidence and wellbeing; and
- Contribute to a fairer, more socially inclusive world;
- Protection of flora and fauna;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rupesh Kumar Gupta	Chairman/Managing Director	1	1
2	Sailesh Gupta	Member/Wholetime Director	1	1
3	Pramod Kapoor Kumar	Member /Independent Director	1	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The web-link is as follows:

CSR Committee : <http://hariompipes.com/csr.php>

CSR Policy : <https://www.hariompipes.com/investor-relations-policies.php>

CSR Projects as approved by the Board : NA

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-2021	12,56,665	Nil
2	-	-	-
3	-	-	-

**6. Average net profit of the company as per section 135(5): ₹ 10,57,09,938/-**

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 21,14,199/-**



(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 21,14,199/-

8. (a) CSR amount spent or unspent for the financial year: ₹ 21,39,776/-

Total Amount Spent for the Financial Year. (₹ In Lakhs)	Amount Unspent (₹ In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
21.40	-		-		-

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project. State      District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name      CSR Registration number
<hr/>										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act*	Local area (Yes/No)	Location of the project. State	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency Name      CSR Registration number
1	NA	Education	Yes	Telangana	872336	Yes	-      -
2	NA	Animal Welfare	Yes	Telangana	739054	Yes	-      -
3	NA	Children Welfare	Yes	Telangana	37300	Yes	-      -
4	NA	Ensuring environmental sustainability	Yes	Telangana	122600	Yes	-      -
4	NA	Health Care	Yes	Telangana	294078	Yes	-      -
5	NA	Restoration of buildings and sites of historical importance	Yes	Telangana	74408	Yes	-      -

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 21,39,776/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	21,14,199
(ii)	Total amount spent for the Financial Year	21,39,776
(iii)	Excess amount spent for the financial year [(ii)-(i)]	25,577
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	25,577

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Name of the Fund	Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding financial years (in ₹)
Not Applicable								

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable**

**Sd/-**  
Chairman of the Committee



## Annexure - VI

# Report on Corporate Governance

Corporate Review  
Statutory Reports

Financial Statements

### **Introduction:**

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in terms of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the report contains the details of Corporate Governance systems and processes at Hariom Pipe Industries Limited (HPIL).

### **Company's Philosophy on Corporate Governance:**

Your Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure highest ethical and responsible standards being practiced by your Company. Comprehensive disclosures, structured accountability in exercise of powers, adhering to best practices and commitment to compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way the business is done.

HPIL has a well-defined policy framework interalia consisting of the following:

- Code of Conduct for Board and Senior Management
- Code of Conduct under PIT Regulations 2015
- Board Diversity Policy
- Corporate Social Responsibility (CSR) Policy
- Fair Disclosure Policy
- Familiarization and Induction Program for Independent Directors
- Policy on Disclosure of Material Events
- Nomination & Remuneration Policy
- Whistle Blower Policy
- RPT Policy
- Archival Policy

### **Board of Directors:**

#### **(a) Composition of the Board**

The composition of the Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulation, 2015. The composition of Board of Directors as on March 31, 2022 is as follows:

Sl. No. Particulars	Category	No. of Directors
1 Executive Directors (Managing Director & Whole Time Director)	Promoter	2
2 Non Executive Director	Promoter	1
3 Non Executive Independent Directors	Non Promoter	3

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board as part of its succession planning exercise periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

**(b) Details of directors and their attendance records for the board meetings and annual general meeting held during the FY 2021-22**

Sl. No.	Name of the Director	DIN	Category	Attendance	
				Board Meetings	Last AGM
1	Pramod Kapoor Kumar	03557358	Chairman and Non-Executive Independent Director	13/13	Present
2	Rupesh Kumar Gupta	00540787	Managing Director	13/13	Present
3	Sailesh Gupta	00540862	Whole Time Director	13/13	Present
4	Sunita Gupta	02981707	Non-Executive Director	13/13	Present
5	Shanti SreeBolleni*	07092258	Non-Executive Independent Director	11/12	Present
6	Rajender Reddy Gankidi*	09165223	Non-Executive Independent Director	12/12	Present

\*Appointed w.e.f May 15, 2021

**(c) Number of other board of directors or committees in which a directors is a member or chairperson**

Sl. No.	Name of the Director	Nature of Directorship	Number of Directorships (including HPIL)	Chairmanship in committees of Board (including HPIL)	Membership in committees of Board (including HPIL)
1	Pramod Kapoor Kumar	Chairman and Non-Executive Independent Director	1	1	2
2	Rupesh Kumar Gupta	Managing Director	2	Nil	Nil
3	Sailesh Gupta	Whole Time Director	1	Nil	Nil
4	Sunita Gupta	Non-Executive Director	2	Nil	Nil
5	Shanti SreeBolleni	Non-Executive Independent Director	3	2	5
6	Rajender Reddy Gankidi	Non-Executive Independent Director	2	Nil	2

\*For the purpose of number of memberships in committees, chairmanship in committees is also considered.

\*Memberships and Chairmanships in Audit Committee and Stakeholders committee is considered for the above purpose.

**(D) Number of meetings of the board of directors held and dates on which held**

During the FY 2021-22, the Board of Directors met Thirteen times i.e. May 15, 2021, June 15, 2021, August 28, 2021, September 02, 2021, September 18, 2021, October 25, 2021, November 11, 2021, January 24, 2022, February 01, 2022, March 09, 2022, March 23, 2022, March 30, 2022 and March 31, 2022. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

**(e) Disclosure of relationships between directors**

Mrs. Sunita Gupta, Non Executive Director of the company is the mother of Mr. Rupesh Kumar Gupta, Managing Director and Mr. Sailesh Gupta, Whole Time Director.

Except the above mentioned, none of the Directors of the Company are related to any other Director of the Company.

**(f) Number of shares and convertible instruments held by non-executive Directors as on march 31, 2022**

Sl. No.	Name of the Director	Nature of Directorship	No. of Equity Shares Held	No. of Convertible Instruments Held
1	Pramod Kapoor Kumar	Chairman and Non-Executive Independent Director	NIL	NIL
2	Sunita Gupta	Non-Executive Director	10,75,720	NIL
3	Shanti SreeBolleni	Non-Executive Independent Director	NIL	NIL
4	Rajender Reddy Gankidi	Non-Executive Independent Director	NIL	NIL

**(g) Web link where details of familiarisation programmes imparted to independent directors is disclosed**

<https://www.hariompipes.com>



#### (h) Core Skills / Expertise / Competencies available with the board

Sl. No.	Name of the Director	Expertise in specific functional area
1	Pramod Kapoor Kumar	He holds a Bachelor's degree in Textile Technology from Birendra Narayan Chakrabarty University, Kurukshetra. He has more than 40 years of experience in textile industry. Previously, he has worked as President – Marketing (Textiles Domestic Sales) in Visaka Industries Limited. Presently, he is into business of plastic manufacturing.
2	Rupesh Kumar Gupta	He has been the main guiding force behind the growth and business strategy of our Company. He has more than two decades of experience in steel industry.
3	Sailesh Gupta	He has been a backbone of our Company for identifying, negotiating and implementing new business opportunities. He is in charge of overall sales & marketing function with focus on continuous communication and building relationships with our clients. He plays crucial role in team building and clients addition and retention.
4	Sunita Gupta	She is Director since 2014 and has more than a decade of experience in Manufacturing and trading in ERW pipes.
5	Shanti SreeBolleni	She is a member of Institute of Chartered Accountants of India. She also holds registration with Insolvency and Bankruptcy Board of India to act as an Insolvency Professional. She has more than ten (10) years of experience in audit, taxation, banking and finance. She is currently a practicing Chartered Accountant and associated as Designated Partner with M/s Tukaram & Co LLP, Chartered Accountants, Hyderabad. Previously, she was on the board of State Bank of Hyderabad as nominee director.
6	Rajender Reddy Gankidi	He has over 25 years of experience in the field of banking including credit analysis, infrastructure lending, project finance and corporate finance, stressed asset management, risk management and compliance functions.

#### Audit Committee:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors.

#### (a) Brief description of terms of reference

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements/quarterly financial statements and auditor's report thereon before submission to the board for approval.
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter
6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
7. Approval or any subsequent modification of transactions of the listed entity with related parties
8. Scrutiny of inter-corporate loans and investments
9. Valuation of undertakings or assets of the listed entity, wherever it is necessary
10. Evaluation of internal financial controls and risk management systems
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
17. To review the functioning of the whistle blower mechanism
18. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
19. Carrying out any other function as is mentioned in the terms of reference of the audit committee

#### (B) Composition, name of members and chairperson

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1	Mrs. Shanti SreeBolleni	Independent Director	Chairperson
2	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Member
3	Mr. Rajender Reddy Gankidi	Independent Director	Member

Mr. Chirag Partani, Company Secretary and Compliance officer of the Company acts as the Secretary to the Audit Committee.

**(C) Meetings and attendance during the year**

The Audit Committee met eight times during the year under review on June 15, 2021, August 28, 2021, September 02, 2021, October 25, 2021, January 24, 2022, February 01, 2022, March 30, 2022 and March 31, 2022. The necessary quorum was present for all the meetings.

Sl. No.	Name of the Director	Position in the Committee	Number of Meetings attended
1.	Mrs. Shanti SreeBolleni	Chairperson	7/8
2.	Mr. Pramod Kumar Kapoor	Member	8/8
3.	Mr. Rajender Reddy Gankidi	Member	8/8

In pursuance, to Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Audit Committee possess financial /accounting expertise / exposure.

**Nomination And Remuneration Committee:**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013.

**(A) Brief Description of terms of reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management

**(B) Composition, name of members and chairperson**

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rajender Reddy Gankidi	Independent Director	Chairman
2.	Mrs. Shanti SreeBolleni	Independent Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Member

Mr. Chirag Partani, Company Secretary and Compliance officer of the Company acts as the Secretary to the Nomination and Remuneration Committee.

**(C) Meeting and attendance during the year**

The Nomination and Remuneration Committee met two times during the year under review on May 15, 2021, and February 01, 2022. The necessary quorum was present for all the meetings.

Sl. No.	Name of the Director	Position in the Committee	Number of Meetings attended
1.	Mr. Rajender Reddy Gankidi	Chairperson	1/1
2.	Mrs. Shanti SreeBolleni	Member	0/1
3.	Mr. Pramod Kumar Kapoor	Member	2/2

**(D) Performance evaluation criteria for independent directors.**

The Board (excluding the director whose evaluation is being carried out) carried out evaluation of the performance of Independent Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc. After such evaluation, the Board expressed its satisfaction over the performance of its committees and the Independent Directors.

**Stakeholders' Relationship Committee:**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations, 2015 and Section 178 of the Companies Act, 2013.

**(A) Name of the non-executive director heading the committee**

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Chairman
2.	Mrs. Shanti SreeBolleni	Independent Director	Member
3.	Mr. Rajender Reddy Gankidi	Independent Director	Member

Mr. Chirag Partani, Company Secretary and Compliance officer of the Company acts as the Secretary to the Stakeholders Relationship Committee.



- (B) Number of shareholders' complaints received during the financial year- Nil
- (C) Number of complaints not solved to the satisfaction of shareholders- Nil
- (D) Number of pending complaints- Nil

#### **Risk Management Committee:**

As Per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Risk Management Committee shall be applicable to top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial year and a high value debt listed entity. Your Company does not fall under the provisions, so the same is not applicable.

#### **Remuneration of Directors:**

(A) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

#### **Remuneration to Non-Executive Directors for the financial Year 2021-22:**

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees. The Company paid sitting fees of ₹ 10,000/- (Rupees Ten Thousand only) per Board Meeting and 2,500/- (Rupees Two Thousand Five Hundred only) per Committee Meeting. The travel expenses for attending Meetings of the Board of Directors or a Committee thereof, for site visits and other related expenses incurred by the Independent Directors from time to time are borne by the Company. The criteria of making payment to Non-Executive Directors is displayed on the website of the Company.

Name of the Director	Designation	Sitting fees
Mr. Pramod Kumar Kapoor	Chairman & Independent Director	1,57,500
Mrs. Shanti SreeBolleni	Independent Director	1,62,500
Mr. Rajender Reddy Gankidi	Independent Director	1,62,500
Mrs. Sunitha Gupta	Non-executive Director	1,32,500

#### **Remuneration paid/payable to executive directors:**

The remuneration paid / payable to Executive Directors for the financial year 2021-22 are in accordance with the approval of the Board and Members and is subject to the limits prescribed under the Act and Nomination and Remuneration Policy of the Company:

Sl. No.	Name of Director	Designation	Salary	Commission	Bonus	Other benefits
1	Rupesh Kumar Gupta	Managing Director	1,80,00,000	Nil	Nil	Nil
2	Sailesh Gupta	Whole Time Director	1,44,00,000	Nil	Nil	Nil

#### **General Body Meetings:**

##### **(A) Information of last three annual general meetings (AGMS) held**

Financial Year	Meeting	Venue	Date & Time	Special Resolution Passed
2020-2021	14 <sup>th</sup> AGM	At the Registered office of the Company situated at 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad 500048-Telangana	September 14, 2021 At 11.00am	Special Resolution was passed for Issuance of shares through IPO.
2019-2020	13 <sup>th</sup> AGM	At the Registered office of the Company situated at 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad 500048-Telangana	December 30, 2020 At 04.00 pm	Special Resolution was passed for 1) To approve appointment and remuneration of Mr. Rupesh Kumar Gupta (DIN: 00540787) as Managing Director of the Company. 2) To approve appointment and remuneration of Mr. Sailesh Gupta (DIN: 00540862) as Wholetime Director of the Company.
2018-2019	12 <sup>th</sup> AGM	At the Registered office of the Company situated at 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad 500048-Telangana	September 30, 2019 At 04.00 pm	No Special Resolution was proposed in 12 <sup>th</sup> AGM of the Company.

##### **(B) Whether special resolutions were put through postal ballot last year? No**

##### **(C) Are special resolutions proposed to be put through postal ballot this year? No**

#### **Means of communication:**

Company was not listed during the FY 2021-2022, accordingly Compliance related to quarterly results, newspapers publications, displays official news releases and presentations made to institutional investors or to the analysts were not applicable for the company. However Company will be complying the same during the current FY 2022-23.

However company maintains functional website [www.Hariompipes.com](http://www.Hariompipes.com), where it has displayed all the relevant details required from time to time as per SEBI (LODR) regulations 2015, post listing its shares on the National Stock Exchange of India Limited and BSE Limited (Stock Exchanges) i.e., from April 13, 2022.

## General shareholder information:

### Annual General Meeting

Date	September 09, 2022
Time	10:30 am
Venue	Hotel Inner Circle, Namita Road, Saboo Heights, 6-3-905, Raj Bhavan Road, Martha Nagar, Somajiguda, Hyderabad, Telangana 500 082
Financial Year	April 1, 2022 to March 31, 2023
Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	Company was not listed during the FY 2021-22. However Equity Shares were listed w.e.f April 13, 2022: <b>1. Name:</b> BSE Limited <b>Address:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>2. Name:</b> National Stock Exchange of India Limited <b>Address:</b> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
Stock Code	NSE Symbol – HARIOMPIPE BSE Scrip Code- 543517
Market price data- high, low during each month in last financial year	NA
Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc	NA
Suspension of trading in the Securities of the Company	NA

### Share transfer system

Share transfer and related operations for the Company, is conducted by M/s. Bigshare Services Private Limited (RTA) which is registered with SEBI as a Category 1 registrar. Share transfer is normally affected within maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

### Distribution of shares and shareholding pattern as on March 31, 2022

Sl. No.	Shareholders Category	Number of Shareholders	Number of Shares	Percent of total Shareholders
1	Promoters& Promoter Group	13	1,68,22,704	99.09
2	Resident Individuals (public)	20	1,53,500	0.91
<b>Total</b>		<b>33</b>	<b>1,69,76,204</b>	<b>100</b>

### Dematerialisation of shares and liquidity

1,69,76,204 Equity Shares of ₹ 10/- each as on 31.03.2022 were in dematerialised form. Company has issued and allotted 85,00,000 Equity shares of ₹ 10/- each through Initial Public Offer (IPO) in April 2022. Company has connectivity with both Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL).

The Companies Equity Shares got listed on April 13, 2022 on the trading platform of National Stock Exchange of India Limited and BSE Limited (Stock Exchanges)The Shares are traded freely except those shares which are under lock-in.

### Outstanding GDRS/ADRS/Warrants or any convertible Instruments, conversion date and likely impact on equity:

The Company does not have any GDRs/ADRs/Warrants or any convertible instruments outstanding as on March 31, 2022.

### Commodity price risk or foreign exchange risk and hedging activities:

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

### Plant locations:

UNIT-I	UNIT-II
Survey. No.58/62/63 situated at Sheriguda Village, Peddaiahpally, Balanagar Mandal, Mahabubnagar District, Telangana-509202.	Survey No. 98, D. Hirehal Village and Mandal, Anantapur District, Andhra Pradesh-515872.



### Address for correspondence:

Particulars	Contact details	Address
For Corporate Governance and other secretarial matters	Mr. Chirag Partani Compliance Officer/Company Secretary Email: cs@hariompipes.com Ph No: 040-24016101	3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpalan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad 500048 IN
For share transfer, transmission, National Electronic Clearing Service, dividend, dematerialisation, etc.	Registrar and Share Transfer Agent Mr. Mohan Phone No: 040 40144582 Email: bsshyd1@bigshareonline.com	306, Right Wing, 3 <sup>rd</sup> Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad - 500082

### Credit Rating

Sl. No.	Instrument Type	Previous Rating	Current Rating	Rating Agencies
1	Long Term Borrowings	CRISIL BBB/Stable	CRISIL BBB+/Stable	CRISIL Ratings Limited
2	Short Term Borrowings	CRISIL A3+	CRISIL A2	CRISIL Ratings Limited

### Other Disclosures:

#### (A) Disclosure of related Party Transactions

Transactions entered into with related parties during FY 2021-22 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The details of Related party transactions during the FY 2021-22 are mentioned in Annexure- II to the Boards report.

#### (B) Whistle blower policy/vigil mechanism

The Company has a Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee.

#### (C) Website link where policies are uploaded

Company has uploaded vigil mechanism /whistle blower policy, policy on dealing with related party transactions and other applicable policies at the link <https://www.hariompipes.com/investor-relations-policies.php>

#### (D) Disclosures in relation to the Sexual Harassment of women at workplace (prevention, prohibition and redressal) act, 2013

Sl. No.	Particulars	Number
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on end of the Financial Year	Not Applicable

#### Disclosure of non-compliance with corporate governance requirement

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para(2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Disclosure related to part e of Schedule II

In addition to the compliance with mandatory requirements, the Company has also adopted and complied with the following non-mandatory requirements in terms of the SEBI Listing Regulations:

- (a) Non-executive chairperson is been appointed as the chairman of the Company.
- (b) A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders is not applicable as the company was unlisted during the said period.
- (c) The Company's financial statements are with unmodified audit opinion.
- (d) The Company has appointed separate persons as Chairman and Managing Director. Appointed Chairman is a non executive director and not a relative to Managing Director as per the definition of the term "relative" defined under the Companies Act, 2013.
- (e) The internal auditor reports directly to the Audit Committee of the Board.

The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

Sl. No.	Particulars	Regulation	Brief Description of Regulation	Compliance Status (Yes / No / NA)
1	Board of Directors	17(1)	Board Composition	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession or appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees / Compensation	Yes
		17(7)	Minimum Information to be placed before Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) &(3)	Composition of Stakeholders Relationship Committee	Yes
		20 (4)	Role of Committee	Yes
5	Risk Management Committee	21 (1), (2)& (3)	Composition and role of risk management committee	NA
		21(4)	Role of the Committee	NA
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(2),(3), (5),(6),(7), (8) & (9)	Policy for Related Party Transactions	Yes
		23 (2) &(3)	Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of Transaction by the Committee	Yes
		23 (4)	Approval for material related party transactions	NA
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	NA
		24 (2), (3), (4), (5) & (6), 24(A)	Other corporate Governance requirements with respect to subsidiary of listed entity	NA
9	Obligations with respect to Independent Directors	25 (1) & (2)	Maximum Directorship & Tenure	Yes
		25 (3)	Meeting of Independent Directors	Yes
		25 (4)	Review of Performance by the Independent Directors	Yes
		25 (7)	Familiarization of Independent Directors	Yes
		25 (8)	Declaration of Independence	Yes



Sl. No.	Particulars	Regulation	Brief Description of Regulation	Compliance Status (Yes / No/ NA)
10	Obligations with respect to Directors and Senior Management	26 (1)&(2)	Memberships in committees	Yes
		26 (3)	Affirmations with compliance to Code of Conduct from members Board of Directors and Senior Management personnel	Yes
		26 (5)	Policy with respect to Obligations of Directors and Senior Management	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	NA
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	NA
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

**CEO/CFO Certification to the Board**

[Pursuant to Regulation 17 (8) under Chapter IV of Securities Exchange board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors,  
**Hariom Pipe Industries Limited**

We, Rupesh Kumar Gupta, Managing Director and Amitabha Bhattacharya Chief Financial officer of the Company responsible for the finance function hereby certify that

We have reviewed financial statements and the cash flow statements of Hariom Pipe Industries Limited for the year ended March 31, 2022 and that to the best of my knowledge and belief, I state that:

- 1) These statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and

These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the Company during the FY 2021-22 which are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) I have indicated to the auditors and the Audit committee of:
  - i. significant changes in internal control over financial reporting during the year 2021-22,
  - ii. significant changes in accounting policies during the year 2021-22 and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date : 04-08-2022

Sd/-  
**Rupesh Kumar Gupta**  
Managing Director  
(DIN: 00540787)

Sd/-  
**Amitabha Bhattacharya**  
Chief Financial Officer



### Declaration on code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on 31<sup>st</sup> March, 2022 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

**Rupesh Kumar Gupta**

Managing Director

DIN: 00540787

Place: Hyderabad

Date : 04-08-2022

**Certificate by the Practicing Company Secretaries on Corporate Governance**

To  
The Members of  
**Hariom Pipe Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Hariom Pipe Industries Limited, for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**VSSK & Associates**  
Company Secretaries

Place: Hyderabad  
Date: 30-07-2022

**Vinod Sakaram**

Partner

PCS 8345

UDIN A023285D000714679



## Certificate under Schedule V(C)(10)(I) of SEBI (Listing Obligations and Disclosure Requirements), 2015

To  
The Members of  
**Hariom Pipe Industries Limited**

We, VSSK & Associates Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Hariom Pipe Industries Limited (CIN: L27100TG2007PLC054564) having its Registered Office at 3-4-174/12/2, 1<sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad 500048 (the Company) as required to be maintained, under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2022.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2022:

Sl. No.	Name of the Director	Designation	DIN
1	Pramod Kapoor Kumar	Chairman & Independent Director	03557358
2	Rupesh Kumar Gupta	Managing Director	00540787
3	Sailesh Gupta	Whole Time Director	00540862
4	Sunita Gupta	Non-Executive Director	02981707
5	Shanti Sree Bolleni	Independent Director	07092258
6	Rajender Reddy Gankidi	Independent Director	09165223

For and on behalf of  
**VSSK & Associates**  
Company Secretaries

**Vinod Sakaram**  
Partner

PCS 8345

UDIN A023285D000714734

Place: Hyderabad  
Date: 30-07-2022

# Independent Auditors' Report

## To the Members of Hariom Pipe Industries Limited

(Formerly known as "Hariom Concast & Steel Private Limited")

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Hariom Pipe Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, and its profit including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date.

We have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matters	How our audit addressed the key audit matter
<b>Key audit matter description</b>	<b>Principal Audit Procedures</b>
<b>1. Borrowings:</b> Non-Current ₹ 3449.97 (refer note 12)	We reviewed the:
During the year, the company has obtained new loans from Canara Bank and Kotak Mahindra Prime Limited (finance Company) for ₹ 1130 Lakhs and ₹ 17.85 lakhs respectively.	<ul style="list-style-type: none"> <li>i. Board minutes for the acceptance of the loan with reference to the borrowing powers of the Board in accordance with the provisions of section 180 of the Act.</li> <li>ii. The sanction letters received from the respective bank and finance company.</li> <li>iii. The e-forms (CHG 1) filed with the Ministry of Corporate Affairs in accordance with the provisions of the Companies (Registration of Charge) Rules 2014 for creation/modification of charge.</li> <li>iv. Other supporting documents in relation to the above such as Invoices and purchase Orders for acquiring the property, plant and equipment financed against the above loans.</li> </ul>
The outstanding loan amounts which are included in the above outstanding are ₹ 1130 lakhs and ₹ 11.83 Lakhs (excluding ₹ 5.57 lakhs classified as current maturity of long-term borrowings) at the year end.	We concluded that:
We considered the above matter as a key audit matter to ascertain whether	
<ul style="list-style-type: none"> <li>a) the procedure followed for the borrowings made by the company was in accordance with the provisions of the Act</li> <li>b) the Companies (Registration of Charge) Rules 2014 have been complied with by the company.</li> <li>c) The repayments of the loans are made in accordance with the sanction letters.</li> <li>d) There is any default in repayment of any instalment of the loan.</li> <li>e) Proper disclosure is made in the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>(a) the borrowings made by the Company during the year were within the power of the Board in accordance with the provisions of section 180 of the Act</li> <li>(b) The charge in respect of secured loan was created with the Ministry of Corporate Affairs (MCA) as required by the Companies (Registration of Charge) Rules 2014.</li> <li>(c) The instalments of the loans were repaid where applicable in accordance with the terms and conditions of the sanction letter and there was no default or delay in the repayment of loan instalment or interest thereon.</li> <li>(d) The borrowings were properly disclosed in the financial statements based on the securities provided.</li> </ul>



The key audit matters	How our audit addressed the key audit matter
<p><b>2. Current Tax liabilities (net) ₹ 658.80 Lakhs (refer note 20)</b></p> <p>The status of the current tax liabilities (net) was considered as a key matter to verify if the liabilities disclosed in the financial statements were:</p> <ul style="list-style-type: none"> <li>(a) based on the correct tax liability for the year as the company has opted for application of concessional rate of tax under section 115BAA of the Income Tax Act, 1961 (The IT Act) which is available only subject to fulfilment of the terms and conditions provided as per the said section.</li> <li>(b) status of the assessments /orders if any passed during the year by the assessing authorities and whether the same have been adjusted and considered in the financial statements to arrive at the current tax liabilities.</li> <li>(c) the adjustments for allowable and non-allowable items of income/expenditure as per the provisions of the IT Act had been considered while arriving at the current tax liabilities for disclosure in the financial statements.</li> </ul>	<p>We reviewed the:</p> <ul style="list-style-type: none"> <li>(i) computation of income tax liability for the year by the Company in accordance with the provisions of section 115BAA of the IT Act and the compliance with the related terms and conditions thereof.</li> <li>(ii) assessment orders received during the year and impact thereof, if any on current tax liabilities and if the adjustments required for the same has been given effect.</li> <li>(iii) items of income / expenses allowed / disallowed in the computation of income tax liabilities.</li> </ul> <p>We concluded that the:</p> <ul style="list-style-type: none"> <li>(a) current tax liabilities (net) were properly accounted for and based on the status of various assessment orders and the computation for the income tax for the year has been made after considering the adjustments required as per the provisions of section 115BAA of the IT Act and the other applicable provisions of the Act.</li> <li>(b) the adjustments as required have been made while computing the income tax liability based on the assessment orders received.</li> <li>(c) the items allowed/disallowed as per the computation has been properly made.</li> </ul>

### Information other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprise the information included in the Board of Directors' annual report including annexures to the Board of Directors' report, but does not include the financial statements and our report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies

Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
    - (i) The company has disclosed the impact of pending litigations as on 31<sup>st</sup> March, 2022 on its financial position in its financial statements refer notes 32.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv)(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded



- in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 8(iv) to the standalone financial statements).
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 8(v) to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-para (a) and (b) contain any material misstatement.
- (d) The company has not declared any dividend during the year. Therefore it is not in compliance with section 123 of the Act.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No. 010129S

Sd/-

**Pankaj Chandak**

(Partner)

UDIN: 22229355AINVYJ5908

Membership No: 229355

Place: Hyderabad

Dated: 06<sup>th</sup> May, 2022

**For R KABRA & CO LLP**

Chartered Accountants

Firm Registration No: 104104502W/W100721

Sd/-

**Deepa Rathi**

(Partner)

UDIN: 22104808ALVNOR6409

Membership No: 104808

Place: Hyderabad

Dated: 06<sup>th</sup> May, 2022

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hariom Pipe Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company does not have any right of use assets
  - (ii) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Property, Plant and Equipment have been physically verified by the management at regular intervals. No material discrepancies were noticed on such verification and therefore no adjustments are required→ to be made in the books of account.
- c. As per the information and explanations given to us, we report that, the title deeds of properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. The Company does not have any leased properties.
- d. The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year. The Company does not have any right –of-use assets.
- e. As per the information and explanations given to us, no proceedings have been initiated or are pending against the Company as at 31<sup>st</sup> March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988, as amended) and rules made thereunder.
- ii. a. The physical verification of inventory has been conducted at reasonable intervals by the management and in the opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification
- b. As per the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has not made any investments in, nor provided any guarantees or security, nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year. Accordingly, para 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made any investments, given any guarantees and securities during the year. Accordingly, provisions of sections 185 and 186 are not applicable. Hence para 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, para 3(v) of the Order is not applicable
- vi. In our opinion and according to the information and explanation given to us, the Company has maintained cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. However, we have not carried out a detailed examination of the above records.
- vii. In respect of statutory dues:



- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities. The company is not liable to sales tax, service tax, duty of excise, value added tax. There are no arrears of outstanding statutory dues as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable except the following:

₹ In Lakhs						
Name of the statute	Name of the Dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment	Remarks if any
Employee's State Insurance Act, 1948	Employee State Insurance	0.30	February ,2020 &March ,2020	15 <sup>th</sup> May, 2020	-	Due to technical problems at ESI

- b) In our opinion and as per the information and explanations given to us, no statutory dues referred to in para (a) have not been deposited on account of any dispute, except the following amounts :

₹ In Lakhs						
Name of the Statute	Name of the Dues	Amount (Net of Payment)	Amount paid	Assessment Year	Forum where the dispute is pending	
Income Tax Act, 1961	Income Tax	*35.05	29.04	2009-10	Tribunal	
Income Tax Act, 1961	Income Tax	555.50		2017-18	CIT (Appeals)	
Income Tax Act, 1961	Income Tax	2.15		2019-20	CIT (Appeals)	

\*The ITAT has decided the appeal in company's favour by dropping the disputed demand of ₹ 35.05 Lakhs as per its order dated 05<sup>th</sup> October, 2016. However, appellate order effect is yet to be given by the income tax department

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) In our opinion, the term loans were applied for the purpose for which these were obtained.
- (d) Based on the examination of the financial statements of the Company, funds raised on short term basis have, *prima facie*, not been utilised for long-term purposes by the Company.

- (e) Since the Company does not have any subsidiary, the question of taking any funds from any entity or person on account of or to meet the obligations of its subsidiaries does not arise. Therefore, para 3(ix)(e) of the Order is not applicable.
- (f) Since the Company does not have any subsidiaries, joint ventures or associate companies, the question of raising any loan on the pledge of securities held in their name does not arise. Therefore, para 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public soffer (including debt instruments) during the year and hence para 3(x)(a) of the Order is not applicable.
- (b) In respect of allotment of equity shares made during the year on private placement basis, the provisions of section 42 have been complied with by the Company and the funds raised have been used for the purpose for which these funds were raised. There were no preferential allotments of any shares or convertible debentures during the year

- xi. (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year with the Central Government and upto the date of this report.
- (c) As per the information and explanations given to us, no whistle blower complaints have been received by the Company during the year
- xii. The Company is not a Nidhi Company. Therefore, paras 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company's internal audit system needs to be strengthened to commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date. However, we have not reassessed or modified our audit procedures in determining the nature, timing and extent of our audit based on the internal audit.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, paras 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the question of conducting the above activities without a valid Certificate of Registration does not arise.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the condition of fulfilling the criteria for CIC is not applicable. The Company is neither an exempted nor an unregistered CIC and therefore the continuing the criteria of a CIC, by the Company are not applicable.
- (d) As per the information and explanations given to us, since the Company is not a Core Investment Company, the Group does not have any CIC investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly para 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year and the also during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Therefore, the question of taking into consideration any of issues, objections or concerns raised by the outgoing auditors does not arise. Accordingly para 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) As per the information and explanations given to us, since the Company does not have any other than ongoing projects, no unspent amount is required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the

expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

- (b) In our opinion, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- xxi. Since the company is not a holding company, the para 3(xxi) of the order 2020 " is not applicable.

**For RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No. 010129S

Sd/-

**Pankaj Chandak**

(Partner)

UDIN: 22229355AINVYJ5908

Membership No: 229355

**For R KABRA & CO LLP**

Chartered Accountants

Firm Registration No: 104104502W/W100721

Sd/-

**Deepa Rathi**

(Partner)

UDIN: 22104808ALVNOR6409

Membership No: 104808

Place: Hyderabad

Dated: 06<sup>th</sup> May, 2022

Place: Hyderabad

Dated: 06<sup>th</sup> May, 2022

## Annexure “B” to the Independent Auditor’s Report

on the Financial Statements of Hariom Pipe Industries Limited

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Para (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of HARIOM PIPE INDUSTRIES LIMITED (“the Company”) as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to these Financial Statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting with reference to these Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with reference to these Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements.**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No. 010129S

Sd/-

**Pankaj Chandak**

(Partner)

UDIN: 22229355AINVYJ5908

Membership No: 229355

For **R KABRA & CO LLP**

Chartered Accountants

Firm Registration No: 104104502W/W100721

Sd/-

**Deepa Rathi**

(Partner)

UDIN: 22104808ALVNOR6409

Membership No: 104808

Place: Hyderabad

Dated: 06<sup>th</sup> May, 2022

Place: Hyderabad

Dated: 06<sup>th</sup> May, 2022

# Balance Sheet

 as at 31<sup>st</sup> March 2022

Particulars	Note No.	(Figures in Lakhs)		
		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	
<b>Assets</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2(a)	5,351.40	5,889.62	
(b) Capital work-in-progress	2(b)	1,006.02	833.25	
(c) Intangible Assets	2(c)	4.24	-	
(d) Financial Assets				
(i) Other financial assets	3	57.56	49.06	
(e) Other non-current assets	4	47.01	35.86	
<b>Total Non Current Assets</b>		<b>6,466.23</b>	<b>6,807.80</b>	
<b>Current assets</b>				
(a) Inventories	5	11,479.00	8,008.00	
(b) Financial assets				
(i) Trade receivables	6	2,689.57	1,962.91	
(ii) Cash and cash equivalents	7(a)	7.25	71.76	
(iii) Bank balances other than (ii) above	7(b)	41.57	16.24	
(iv) Other financial assets	8	-	5.42	
(c) Other current assets	9	907.23	501.91	
<b>Total Current Assets</b>		<b>15,124.61</b>	<b>10,566.23</b>	
<b>Total Assets</b>		<b>21,590.84</b>	<b>17,374.03</b>	
<b>Equity and Liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	10	1,697.62	1,696.12	
(b) Other equity	11	8,404.05	5,382.82	
<b>Total Equity</b>		<b>10,101.67</b>	<b>7,078.94</b>	
<b>Liabilities</b>				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	3,449.97	3,394.40	
(b) Provisions	13	35.93	20.58	
(c) Deferred tax liabilities (Net)	14	314.95	358.45	
<b>Total Non Current Liabilities</b>		<b>3,800.85</b>	<b>3,773.44</b>	
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	5,296.22	4,623.08	
(ii) Trade payables	16			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,038.84	429.93	
(iii) Other financial liabilities	17	401.74	968.05	
(b) Other current liabilities	18	290.67	265.81	
(c) Provisions	19	2.06	0.19	
(d) Current tax liabilities (Net)	20	658.80	234.59	
<b>Total Current Liabilities</b>		<b>7,688.33</b>	<b>6,521.65</b>	
<b>Total Equity and Liabilities</b>		<b>21,590.84</b>	<b>17,374.03</b>	
Significant accounting policies and notes on accounts	1 to 48			

As per our report of even date annexed hereto.

 For **RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No: 010129S

 For **R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

(Formerly Hariom Concast &amp; Steels (Pvt.) Ltd.)

**Sd/-**  
**Pankaj Chandak**  
 (Partner)

 Membership No: 229355  
 UDIN: 22229355AINVYJ5908

**Sd/-**  
**Deepa Rathi**  
 (Partner)

 Membership No: 104808  
 UDIN: 22104808ALVNOR6409

**Sd/-**  
**Rupesh Kumar Gupta**  
 Managing Director

DIN: 00540787

**Sd/-**  
**Sailesh Gupta**  
 Whole Time Director

DIN: 00540862

 Place: Hyderabad  
 Date : 06<sup>th</sup> May 2022

 Place : Hyderabad  
 Date : 06<sup>th</sup> May 2022

**Sd/-**  
**Amitabha Bhattacharya**  
 Chief Financial Officer

 Place: Hyderabad  
 Date : 06<sup>th</sup> May 2022

**Sd/-**  
**Chirag Partani**  
 Company Secretary  
 Membership No: A51269

Hariom Pipe Industries Ltd.



# Statement of Profit and Loss

for the period ended 31<sup>st</sup> March, 2022

Particulars		Note No.	(Figures in Lakhs)	
			For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I</b>	Revenue from operations	21	43,056.65	25,413.89
<b>II</b>	Other income	22	271.50	68.42
<b>III</b>	<b>Total Income (I+II)</b>		<b>43,328.15</b>	<b>25,482.31</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	23	31,103.40	18,031.70
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	-2,005.27	-745.78
	Employee benefits expense	25	2,136.31	950.55
	Finance costs	26	818.70	751.21
	Depreciation and amortization expenses	2	810.53	625.77
	Power and fuel		5,606.13	3,381.03
	Other expenses	27	604.16	368.08
	<b>Total expenses (IV)</b>		<b>39,073.95</b>	<b>23,362.57</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>4,254.19</b>	<b>2,119.74</b>
<b>VI</b>	<b>Tax expense:</b>	28		
(1)	Current tax		1,062.72	447.52
(2)	Deferred tax		-41.53	138.10
(3)	Tax related to earlier tax period		37.29	20.92
	<b>Total Tax Expense (VI)</b>		<b>1,058.47</b>	<b>606.54</b>
<b>VII</b>	<b>Profit for the period from continuing operations (V-VI)</b>		<b>3,195.72</b>	<b>1,513.20</b>
<b>VIII</b>	Profit/(loss) from discontinued operations		-	-
<b>IX</b>	Tax expenses of discontinued operations		-	-
<b>X</b>	<b>Profit from Discontinued operations (after tax) (VIII-IX)</b>		-	-
<b>XI</b>	<b>Profit for the period (VII+X)</b>		<b>3,195.72</b>	<b>1,513.20</b>
<b>XII</b>	<b>Other Comprehensive Income</b>			
A.	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of post employment benefit obligation		7.79	-0.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-1.96	-2.45
B.	(i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XIII</b>	<b>Total Comprehensive Income for the period (XI+XII)</b>		<b>3,189.89</b>	<b>1,515.66</b>
<b>XIV</b>	Earnings per equity share (for continuing operation):	29		
(1)	Basic		18.83	10.64
(2)	Diluted		18.83	9.80

Significant accounting policies and notes on accounts

1 to 48

As per our report of even date annexed hereto.

For **RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No: 010129S

For **R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

**Pankaj Chandak**

(Partner)

Membership No: 229355

UDIN: 2229355AINVYJ5908

Sd/-

**Deepa Rathi**

(Partner)

Membership No: 104808

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Sd/-

**Sailesh Gupta**

Whole Time Director

DIN: 00540862

Sd/-

**Amitabha Bhattacharya**

Chief Financial Officer

Sd/-

**Chirag Partani**

Company Secretary

Membership No: A51269

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

# Statement of Changes in Equity

for the period ended 31<sup>st</sup> March, 2022

## A. Equity Share Capital

FY 2021-22	Opening balance as at 1 <sup>st</sup> April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2021	Changes in equity share capital during the current period	Balance as at 31 <sup>st</sup> March 2022
No. of Shares	30,192.40	-	1,69,61,204	15,000	1,69,76,204
Amount (in Lakhs)	15,869.64	-	1,696.12	1.50	1,697.62

FY 2020-21	Opening balance as at 1 <sup>st</sup> April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital during the current period	Balance as at 31 <sup>st</sup> March 2021
No. of Shares	1,32,33,430	-	1,32,33,430	37,27,774	1,69,61,204
Amount (in Lakhs)	1,323.34	-	1,323.34	372.78	1,696.12

## B. Other Equity

(1) For the year ended 31<sup>st</sup> March 2022

Particulars	Equity component of compound financial instruments	Reserves and surplus			(Figures in Lakhs)
		Securities premium	Retained Earnings	Total	
Balance as at 1 <sup>st</sup> April 2021	94.64	1,455.18	3,833.00	5,382.82	
Changes in accounting policy/prior period errors	-	-	-	-	
<b>Restated balance at the beginning of the current reporting period</b>	<b>94.64</b>	<b>1,455.18</b>	<b>3,833.00</b>	<b>5,382.82</b>	
Additions during the year:					
(a) Total Comprehensive Income for the period	-	-	3,189.89	3,189.89	
(b) Premium on issue of shares	-	3.90	-	3.90	
(c) Share issue expenses	-	-172.56	-	-172.56	
		<b>-168.66</b>	<b>3,189.89</b>	<b>3,021.23</b>	
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>94.64</b>	<b>1,286.52</b>	<b>7,022.89</b>	<b>8,404.05</b>	



# Statement of Changes in Equity

for the period ended 31<sup>st</sup> March, 2022

(2) For the year ended 31<sup>st</sup> March 2021

Particulars	Equity component of compound financial instruments	Reserves and surplus		(Figures in Lakhs) Total
		Securities premium	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2020	703.26	485.96	2,317.34	3,506.55
Changes in accounting policy/prior period errors	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>703.26</b>	<b>485.96</b>	<b>2,317.34</b>	<b>3,506.55</b>
Additions during the year:				
(a) Total Comprehensive Income for the year	-	-	1,515.66	1,515.66
(b) Equity component of 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	100.00	-	-	100.00
(c) Premium on issue of shares	-	48.10	-	48.10
(d) Premium on conversion of convertible preference shares into Equity Shares	-	646.39	-	646.39
(e) Premium on conversion of inter corporate deposits into Equity Shares	-	274.73	-	274.73
	<b>100.00</b>	<b>969.22</b>	<b>1,515.66</b>	<b>2,584.89</b>
Less: Adjustments on conversion of Preference shares into Equity shares				
(a) 3% Series A Redeemable Non Cumulative Preference Shares	108.62	-	-	108.62
(b) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	600.00	-	-	600.00
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>94.64</b>	<b>1,455.18</b>	<b>3,833.00</b>	<b>5,382.82</b>

Description of the purposes of each reserves within equity (Refer note no. 11.2.1 and 11.2.2)

As per our report of even date annexed hereto.

For **RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No: 010129S

Sd/-  
**Pankaj Chandak**

(Partner)

Membership No: 229355

UDIN: 22229355AINVYJ5908

For **R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-  
**Deepa Rathi**

(Partner)

Membership No: 104808

UDIN: 22104808ALVNOR6409

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-  
**Rupesh Kumar Gupta**

Managing Director

DIN: 00540787

Sd/-  
**Sailesh Gupta**

Whole Time Director

DIN: 00540862

Sd/-  
**Amitabha Bhattacharya**

Chief Financial Officer

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

Sd/-  
**Chirag Partani**

Company Secretary

Membership No: A51269

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

Place : Hyderabad

Date : 06<sup>th</sup> May 2022

# Statement of Cash Flows

for the period ended 31<sup>st</sup> March, 2022

(Figures in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A. Cash Flow from operating activities</b>		
Net Profit/(Loss) before tax for the period/year	4,254.19	2,119.74
<b>Adjustments for:</b>		
Interest income	-34.92	-42.23
Depreciation and amortization expenses	810.53	625.77
Finance Charges other than interest on CFI	810.29	713.67
Interest on Compound Financial Instruments	8.41	37.54
Non Cash Item - Gain on settlement of compound financial instrument	-	-26.14
Non Cash Item - Gain on Modification of Compound Financial Instrument	-236.12	-
<b>Operating profit before working capital changes</b>	<b>5,612.38</b>	<b>3,428.35</b>
<b>Movement in working capital:</b>		
(Increase)/Decrease Trade & other receivables	-1,170.05	316.50
(Increase)/Decrease Inventories	-3,470.99	-2,054.51
Increase/(Decrease) Trade payables & other liabilities	76.88	-261.25
<b>Cash Generated From Movement in working capital</b>	<b>-4,564.16</b>	<b>-1,999.26</b>
Less: Income taxes paid	-675.80	-386.47
<b>Net cash flow From Operating Activities (A)</b>	<b>372.42</b>	<b>1,042.61</b>
<b>B Cash Flow from investing activities</b>		
Purchase of Property, Plant & Equipment	-271.65	-1,553.21
(Increase)/ decrease in Capital-work-in progress	-172.77	-833.25
Purchase of Intangible Assets	-4.90	-
(Increase) / decrease in fixed deposits	1.00	-2.67
Interest received	32.42	42.23
<b>Net cash flow used in investing activities - (B)</b>	<b>-415.90</b>	<b>-2,346.91</b>



# Statement of Cash Flows

for the period ended 31<sup>st</sup> March, 2022

Particulars	(Figures in Lakhs)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>C Cash Flow from financing activities</b>		
Finance Charges other than interest on CFI	-804.79	-730.81
Securities premium on issue of shares	3.90	48.10
Issue Expenses amortised with securities premium	-172.56	
Securities premium on conversion of Preference shares into Equity Shares	-	646.39
Securities premium on conversion of inter corporate deposits into Equity Shares	-	274.73
Issue of Equity Shares	1.50	372.78
Issue of Preference Shares	-	100.00
Non cash item- adjustment on conversion of preference shares in to Equity Shares	-	-895.00
Non cash item- adjustment on conversion of inter corporate deposits in to Equity Shares	-	-380.40
Decrease in long term borrowings - Term loans from banks and others	-1,092.03	-464.16
Increase in long term borrowings - Term loans from banks and others	1,147.85	2,255.00
Proceed/(Repayment) in short term borrowings - working capital loans	940.60	-54.40
Repayment of inter corporate deposits	-	-50.00
Other long-term liabilities	-45.51	87.00
<b>Net Cash flow from Financing Activities (C)</b>	<b>-21.04</b>	<b>1,209.22</b>
Net increase/ (decrease) in Cash & cash equivalents (A+B+C+D)	-64.52	-95.07
Opening Balances of Cash and cash equivalents	71.76	166.82
<b>Closing Balances of Cash and cash equivalents</b>	<b>7.25</b>	<b>71.76</b>

## Notes:

- 1 Statement of Cash Flows has been prepared under the indirect method as set out in the IND AS "Statement of Cash Flows" as prescribed in the Companies (Indian Accounting Standards), Rules 2015
- 2 Components of cash and cash equivalents

Cash on Hand	5.72	1.26
Balance with Banks:		
On Current Accounts	1.53	70.50
<b>Total cash and cash equivalents (refer note 7(a))</b>	<b>7.25</b>	<b>71.76</b>

- 3 Previous year figures have been regrouped/reclassified wherever considered necessary

As per our report of even date annexed hereto.

For **RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No: 010129S

Sd/-

**Pankaj Chandak**

(Partner)

Membership No: 229355

UDIN: 22229355AINVYJ5908

For **R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

**Deepa Rathi**

(Partner)

Membership No: 104808

UDIN: 22104808ALVNOR6409

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

**Rupesh Kumar Gupta**

Managing Director

DIN: 00540787

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**Sailesh Gupta**

Whole Time Director

DIN: 00540862

Sd/-

**Amitabha Bhattacharya**

Chief Financial Officer

Sd/-

**Chirag Partani**

Company Secretary

Membership No: A51269

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

Place : Hyderabad

Date : 06<sup>th</sup> May 2022

Place: Hyderabad

Date : 06<sup>th</sup> May 2022

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Company Background:

Hariom Pipe Industries Limited, ("the Company") is a public limited Company incorporated in India under the Companies Act 1956 (now replaced with the Companies Act 2013) on 21<sup>st</sup> June' 2007 with its registered office situated in Hyderabad, India. The name of the Company was changed from Hariom Concast and Steels (Private) Limited to Hariom Pipe Industries (Private) Limited on 27<sup>th</sup> December 2017. Subsequently the Company was converted into a Public Limited Company and renamed as Hariom Pipe Industries Limited on 17<sup>th</sup> January 2018. The Company has grown consistently, securing a dominant position in South India as a premium manufacturer of iron and steel products, catering to diverse industrial needs across multiple sectors. The Company has two manufacturing units, one each situated at a) Works 3-45/1, Sy.No.62 & 63, Sheriguda Paddayapally(G.P.) Balanagar Mahbubnagar, Telangana, and b) Survey number 98, D Hirehal Village, Ananthapur, Andhra Pradesh. The Company is listed on Bombay stock Exchange (BSE) (BSE scrip code-543517) and National Stock Exchange (NSE) (NSE symbol- HARIOMPIPE) from 13<sup>th</sup> April ,2022.

### 1. Significant Accounting Policies

#### (a) Statement of compliance:

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, issued by Ministry of Corporate Affairs in respect of sections 133 of the Companies Act 2013 ("the Act"). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These Ind AS financials statements have been approved for issue by the Board of Directors at their meeting held on 06<sup>th</sup> May 2022.

#### (b) Basis of Preparation:

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost. Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

**Level 1** - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;

**Level 2** - inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** - inputs are unobservable inputs for the valuation of assets/liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

#### (c) Presentation of financial statements

The Ind AS Balance Sheet and the Ind AS Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III Division (ii) to the Act. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet, Statement of Profit and Loss and statement of change in equity as prescribed in the Schedule III Division (ii) to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified IND AS.

#### (d) Use of estimates and critical accounting judgments:

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future periods affected.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### Deferred income tax assets and liabilities:

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.



# Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

## **Income Taxes:**

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss."

## **Useful lives of Property, plant and equipment ('PPE'):**

The Company reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

## **Defined benefit plans:**

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **Fair value measurement of Compound Financial Instruments:**

The Company recognizes separately the components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. From the perspective of the Company, such an instrument comprises two components: a financial liability (a contractual arrangement to deliver cash or another financial asset) and

an equity instrument (a call option granting the holder the right, for a specified period of time, to convert it into a fixed number of ordinary shares of the entity).

## **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventories, and trade receivables. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to closely monitor any material changes to future economic conditions.

## **(e) Current and non-current classification and operating cycle:**

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be realised within twelve months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

it is expected to be settled in the Company's normal operating cycle;

it is held primarily for the purpose of being traded;

it is due to be settled within twelve months after the reporting date; or

the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

**(f) Functional and presentation currency:**

The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

**(g) Revenue recognition:**

The revenue is recognized once the entity satisfied that the performance obligation & control are transferred to the customers.

**(i) Sale of goods:**

The Company derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods in accordance with IND AS 115 "Revenue from Contracts with Customers". To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

**(ii) Other income**

- A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- B. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably

**(h) Foreign currency translation:**

(i) The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

**(ii) Transactions and balances:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

**(i) Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

**(j) Exceptional items:**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

**(k) Property, plant and equipment and capital work-in-progress:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost is inclusive of inward freight, net of tax/duty credits availed, if any, and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no



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to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

future economic benefits are expected to arise from the continued use of asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest in case of qualifying assets.

Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

#### **Capital work-in-progress:**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, net of tax/duty credits availed, if any, related incidental expenses and attributable interest, in case of qualifying assets.

#### **Depreciation methods, estimated useful lives and residual value:**

Depreciation is systematically allocated over the useful life of the asset as specified in Schedule II of the Act. Depreciation on property, plant and equipment added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal. Freehold land is not depreciated.

#### **(I) Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

#### **Research and development expenditure on new products:**

Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

- A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- B. the company has intention to complete the intangible asset and use or sell it;
- C. the company has ability to use or sell the intangible asset;
- D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
- E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. the company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development". Intangible assets are amortized on straight line basis over the estimated useful life. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

#### **(m) Impairment of assets:**

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the assets do not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is

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to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

**(n) Employee benefits:**

**(i) Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

**(ii) Other long-term employee benefit obligations:**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations:**

Defined contribution plans: The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the

extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by fair value of plan assets (being the funded portion).

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund managed by an insurance company.

**(o) Lease**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) the Company has the right to direct the use of the asset  
At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using



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the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

**(p) Financial instruments – initial recognition, subsequent measurement and impairment:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**A. Investments and other financial assets**

**(i) Classification:**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.

The classification criteria of the Company for debt instruments are provided as under:

*Debt instruments:*

Depending upon the business model of the Company, debt instruments can be classified under following categories:

- Debt instruments measured at amortised cost
- Debt instruments measured at fair value through other comprehensive income
- Debt instruments measured at fair value through profit or loss

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

**(ii) Measurement:**

At initial recognition, the Company measures a

financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

*Debt instruments:*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**(iii) Impairment of financial assets:**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on

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whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit losses are measured through a loss allowance at an amount equal to the following:

- (a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

**(iv) Derecognition of financial assets:**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual

obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**B. Financial Liabilities:**

**(a) Classification:**

The Company classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at fair value through profit or loss
- Financial liabilities measured at amortized cost

**(b) Measurement:**

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities measured at fair value through profit or loss:*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognised at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

*Financial liabilities measured at Amortized Cost:*

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in the statement of profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as



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transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

**(c) De-recognition of financial liability:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

**(d) Compound financial instruments:**

Compound financial instruments issued by the company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

**(q) Offsetting financial instruments:**

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(r) Inventories:**

Raw materials, consumable stores, stores and spares, and finished goods inventories are valued at the lower of cost (using weighted average method) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase, all charges in bringing the goods to the point of sale, including indirect levies, net of recoveries, if any, transit insurance and receiving charges. Finished goods include appropriate

proportion of overheads and, where applicable. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Raw materials and stores are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

**(s) Cash and cash equivalents:**

Cash and bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

**(t) Securities premium account:**

Securities premium includes the difference between the face value of the shares and the consideration received in respect of shares issued.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account, if and when such expenses are incurred, and as per the decision of the management.

**(u) Borrowing costs:**

General and specific borrowing costs (includes interest expense calculated using the effective interest method, other costs and expenses in relation to the borrowing) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which these are incurred.

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to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

**(v) Cash Flow Statement:**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Short term borrowings, repayments and advances having maturity of three months or less, are shown as net in cash flow statement.

**(w) Income tax:**

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each year adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In such case, the tax is also recognised in Other Comprehensive Income.

Hitherto the Company was liable to tax at normal rate of 30% on its income. During the year, the company has opted for application of section 115BAA of the Income Tax Act 1961 for computing its tax liability. Accordingly MAT Credit is not allowed to be carried forward and adjusted from its future tax liability. Therefore, henceforth MAT Credit will not be included as an item of deferred tax assets in compliance with the above provisions of the Act.

**(x) Provisions:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**(y) Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

**(z) Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the



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weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been adjusted prospectively, if appropriate.

## (za) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## (zb) Recent accounting developments

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

- Indian Accounting Standard (Ind AS) 103 –Business Combinations

## Reference to Conceptual Framework:

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

- Indian Accounting Standard (Ind AS)16 – Property, Plant and Equipment

## Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

- Indian Accounting Standard (Ind AS)37– Provisions, Contingent Liabilities and Contingent Assets

## Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

- Indian Accounting Standard (Ind AS)109 –Financial Instruments

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability.

- Indian Accounting Standard (Ind AS)116 –Leases

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note no. 2(a): Property, plant and equipment As at 31<sup>st</sup> March 2022

Property, plant and equipment	Gross Block		Accumulated Depreciation		Net Block		(Figures in Lakhs)
	As at 1 <sup>st</sup> April 2021	Additions	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	
(a) Land	204.68	-	204.68	-	-	204.68	204.68
(b) Buildings	1,847.01	2.13	1,849.14	472.39	133.43	605.82	1,243.32
<b>(c) Plant and Equipment:</b>							
Plant & machinery	1,710.54	-	1,710.54	782.00	132.90	914.90	795.64
Pollution equipment's	103.79	16.63	120.42	40.18	10.42	50.59	69.82
Tools components, spares and others	3,180.87	105.58	3,286.44	1,102.60	260.10	1,362.70	1,923.74
Rolls	344.40	93.33	437.73	160.70	62.92	223.63	214.10
Solar panels	3.75	-	3.75	0.75	0.22	0.97	2.78
(d) Furniture and Fixtures	6.92	14.30	21.22	4.62	3.36	7.98	13.24
(e) Vehicles	223.74	23.42	247.16	151.44	21.97	173.41	73.75
(f) Office equipment's	23.57	5.90	29.47	13.10	5.74	18.84	10.64
(g) Electrical equipment's	1,727.07	0.73	1,727.80	764.94	174.25	939.19	788.61
(h) Air conditioners	4.48	3.90	8.38	2.27	0.92	3.19	5.19
(i) Computers	13.38	5.75	19.13	9.59	3.65	13.23	5.89
<b>Total</b>	<b>9,394.21</b>	<b>271.65</b>	<b>9,665.86</b>	<b>3,504.58</b>	<b>809.87</b>	<b>4,314.45</b>	<b>5,351.40</b>
							<b>5,889.62</b>

### As at 31<sup>st</sup> March 2021

Description	Gross Block		Accumulated Depreciation		Net Block		(Figures in Lakhs)
	As at 1 <sup>st</sup> April 2020	Additions	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
(a) Land	202.68	2.00	204.68	-	-	-	204.68
(b) Buildings	1,031.52	815.49	1,847.01	333.06	139.33	472.39	1,374.62
<b>(c) Plant and Equipment:</b>							
Plant & machinery	1,069.10	641.44	1,710.54	638.77	143.23	782.00	928.54
Pollution equipment's	101.47	2.32	103.79	30.05	10.13	40.18	63.61
Tools components, spares and others	3,130.51	50.36	3,180.87	942.53	160.07	1,102.60	2,078.27
Rolls	344.40	-	344.40	135.42	25.28	160.70	183.70
Solar panels	3.75	-	3.75	0.52	0.23	0.75	3.00
(d) Furniture and Fixtures	6.44	0.48	6.92	2.98	1.64	4.62	2.29
(e) Vehicles	201.29	22.45	223.74	127.48	23.96	151.44	72.30
(f) Office equipment's	16.07	7.50	23.57	9.17	3.92	13.10	10.48
(g) Electrical equipment's	1,709.08	17.99	1,727.07	650.39	114.55	764.94	962.14
(h) Air conditioners	3.52	0.96	4.48	1.95	0.32	2.27	2.21
(i) Computers	8.56	4.81	13.38	6.50	3.08	9.59	3.79
<b>Total</b>	<b>7,828.41</b>	<b>1,565.80</b>	<b>9,394.21</b>	<b>2,878.82</b>	<b>625.77</b>	<b>3,504.58</b>	<b>5,889.62</b>
							<b>4,949.59</b>

2(a)(i): All the Property, plant and equipment (including Capital work-in-progress) are secured as primary securities against secured loans and as collateral securities for working capital finance with the respective financers (Refer Note 12(a) and 17(a)(ii))



## Notes

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### Note no. 2(b): Capital Work-In-Progress As at 31<sup>st</sup> March 2022

Particulars	As at 1 <sup>st</sup> April 2021	Additions	Disposal/ Adjustments	As at 31 <sup>st</sup> March 2022
<b>Project - I</b>				
Buildings	3.47	20.69	-	24.16
Electrical equipment's	196.76	38.07	49.28	185.55
Plant & machinery	45.13	57.91	-	103.04
Pollution equipment's	60.49	-	-	60.49
Rolls	162.70	57.31	30.55	189.45
Tools components , spares and others	364.70	214.67	139.42	439.94
<b>Total</b>	<b>833.25</b>	<b>388.65</b>	<b>219.25</b>	<b>1,006.64</b>
<b>Project - II</b>				
Plant & machinery	-	3.38	-	3.38
<b>Total</b>	<b>-</b>	<b>3.38</b>	<b>-</b>	<b>3.38</b>
<b>Total (Project I + Project II)</b>	<b>833.25</b>	<b>392.02</b>	<b>219.25</b>	<b>1,006.02</b>

### As at 31<sup>st</sup> March 2021

Particulars	As at 1 <sup>st</sup> April 2020	Additions	Disposal/ Adjustments	As at 31 <sup>st</sup> March 2021
<b>Project - I</b>				
Buildings	12.59	3.47	12.59	3.47
Electrical equipment's		196.76		196.76
Plant & machinery		45.13		45.13
Pollution equipment's		60.49		60.49
Rolls		162.70		162.70
Tools components , spares and others		364.70		364.70
<b>Total</b>	<b>12.59</b>	<b>833.25</b>	<b>12.59</b>	<b>833.25</b>

2(b)(i): Capital work-in-progress includes borrowing cost capitalised during the year ended 31<sup>st</sup> March 2022 - ₹ 12.28 Lakhs, (31<sup>st</sup> March 2021 ₹ 31.12 Lakhs). Also refer note 2(a)(i) for borrowings against CWIP.

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

**2(b)(ii): CWIP aging schedule**  
**As at 31<sup>st</sup> March 2022**

	(Figures in Lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital Work in Progress	392.02	614.00	-	-	1,006.02
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**As at 31<sup>st</sup> March 2021**

	(Figures in Lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital Work in Progress	833.25	-	-	-	833.25
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

2(b)(iii): There are no CWIP whose competition is overdue or has exceeded its cost compared to its original plan

**2(c): Intangible Assets**

**As at 31<sup>st</sup> March 2022**

Particulars	Gross Block		Accumulated Depreciation		Net Block	(Figures in Lakhs)
	As at 1 <sup>st</sup> April 2021	Additions <b>31<sup>st</sup> March 2022</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	
Softwares	4.90	4.90	-	0.66	0.66	4.24
<b>Total</b>	<b>4.90</b>	<b>4.90</b>	<b>-</b>	<b>0.66</b>	<b>0.66</b>	<b>4.24</b>

2(d) Additional Notes:

- i. Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year and there has not been any impairment
- ii. The Company has not revalued its Property, Plant and Equipment or intangible assets during the year



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 3 Other Financial Assets

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(Unsecured, considered good)</b>		
Security deposits	7.42	0.42
Fixed Deposits with banks for more than 12 months maturity	50.14	48.64
<b>Total</b>	<b>57.56</b>	<b>49.06</b>
<b>Note : Security deposits are primarily in relation towards rent deposits and deposits with supplier</b>		
3.1 Out of the above, fixed deposits kept under lien against bank guarantee issued by the bank in favour of:		
(a) Pollution Control Board	0.92	1.67
(b) National Highway Authority	1.55	1.48
	<b>2.47</b>	<b>3.14</b>
3.2 Fixed deposits kept as collateral against loan with Canara Bank	47.67	45.50
	<b>50.14</b>	<b>48.64</b>

### Note 4 Other non-current assets

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Hariom Employees Gratuity Trust	15.89	15.60
Deposit with Govt. Authorities	31.12	20.27
<b>Total</b>	<b>47.01</b>	<b>35.86</b>

### Note 5 Inventories

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Raw materials	1,140.31	1,178.03
Finished goods	5,596.73	3,591.45
Stores, spares and consumables	4,741.96	3,238.52
<b>Total</b>	<b>11,479.00</b>	<b>8,008.00</b>

- 5.1 All the above inventories are secured as a primary security against working capital finance and as collateral securities against property, plant and equipment (except vehicle loans from other banks/financial institutions) to Canara bank
- 5.2 For mode of valuation of inventories, please refer note 1(r) of the significant accounting policies

### Note 6 Trade receivables

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
a) Considered Good-Unsecured	2,689.57	1,962.91
b) Credit Impaired	-	-
<b>Total</b>	<b>2,689.57</b>	<b>1,962.91</b>
less: Allowance for Credit loss	-	-
<b>Total</b>	<b>2,689.57</b>	<b>1,962.91</b>

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 6.1 Ageing of trade receivable are as follows:

**As at 31<sup>st</sup> March 2022**

Particulars	Less than 6 months	6 months and 1 year	1 year to 2 year	2 years to 3 years	More than 3 years	(Figures in Lakhs) Total
Undisputed Trade Receivables - considered good	2,689.57	-	-	-	-	2,689.57
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Unbilled Dues	-	-	-	-	-	-

**As at 31<sup>st</sup> March 2021**

Particulars	Less than 6 months	6 months and 1 year	1 year to 2 year	2 years to 3 years	More than 3 years	(Figures in Lakhs) Total
Undisputed Trade Receivables - considered good	1,962.91	-	-	-	-	1,962.91
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Unbilled Dues	-	-	-	-	-	-
6.2	Trade receivable include the amounts due from a firm in which the directors are partners			502.22	23.91	
6.3	All the above trade receivables are secured as a primary security against working capital finance and as collateral securities against property, plant and equipment (except vehicle loans from other banks / financial institutions) to Canara bank.					
6.4	There are no outstanding receivables due from directors or other officers of the Company					

### Note 7(a) Cash and cash equivalents

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Cash on Hand	5.72	1.26
Balance with banks	1.53	70.50
On Current accounts		
<b>Total</b>	<b>7.25</b>	<b>71.76</b>

7(a)(i) Cash and bank balances are denominated and held in INR



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 7(b) Bank balances other than Cash and cash equivalents

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Recurring Deposits with Banks	41.57	16.24
<b>Total</b>	<b>41.57</b>	<b>16.24</b>

7(b)(i) The above recurring deposits is under lien as cash collateral security with Canara Bank.

### Note 8 Other financial assets

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(Unsecured, considered good)</b>		
Interest Accrued	-	5.42
<b>Total</b>	<b>-</b>	<b>5.42</b>

### Note 9 Other current assets

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(Unsecured, considered good)		
(a) Advances other than capital advances		
(i) Security deposits with electricity board	156.01	188.28
(ii) Security deposits against IPO	159.55	-
(iii) Advance to suppliers	273.74	75.21
(iv) Advance against salaries to employees	67.75	66.53
(v) Others:	-	-
Prepaid expenses	21.14	8.93
Balances with government authorities		-
(i) Goods and services tax (GST) credit receivable	159.82	40.80
(ii) Sales-tax receivable	0.85	0.85
(iii) Excise Duty	0.07	0.07
(iv) Income tax receivable	31.88	31.88
(b) Advance for capital goods	35.50	74.01
(c) Unamortised share issue expenses	-	15.20
(d) Hariom Employees Gratuity Trust	0.91	0.14
<b>Total</b>	<b>907.23</b>	<b>501.91</b>
9.1 No advances are due from directors of the company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person		
9.2 Advances due from officer of the company	<b>23.40</b>	<b>23.40</b>

## Notes

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### Note 10 Equity Share Capital

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>10.1 Authorised Equity Share capital</b>				
Equity Shares of ₹ 10/- each with voting rights	2,86,83,800	2,868.38	2,46,83,800	2,468.38
<b>10.2 Issued Capital</b>				
Equity Shares of ₹ 10/- each with voting rights	1,69,76,204	1,697.62	1,69,61,204	1,696.12
<b>10.3 Subscribed &amp; Paid Up Capital</b>				
Equity Shares of ₹ 10/- each with voting rights	1,69,76,204	1,697.62	1,69,61,204	1,696.12

### Note 10.4 Reconciliation of no. of equity shares at the beginning and at the end of the year

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
At the beginning of the year	1,69,61,204	1,696.12	1,32,33,430	1,323.34
Add: Issued during the year				
(a) Fresh issue of shares	15,000	1.50	1,85,000	18.50
(b) On Conversion of convertible preference shares into Equity Shares (Refer note no. 10.5, 10.6)	-	-	24,86,108	248.61
(c) On Conversion of inter corporate deposits into Equity Shares (Refer note no 10.7)	-	-	10,56,666	105.67
<b>At the closing of the period/year</b>	<b>1,69,76,204</b>	<b>1,697.62</b>	<b>1,69,61,204</b>	<b>1,696.12</b>

### Note 10.5 3 % Series A Redeemable Non Cumulative Preference Shares

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
At the beginning of the year	-	-	29,50,000	295.00
Issued during the year	-	-	-	-
(Converted/ Redeemed) during the year	-	-	-29,50,000	-295.00
At the closing of the period/year	-	-	-	-

- 10.5.1 3% Series A Redeemable Non Cumulative Preference Shares @ ₹ 10/- were due to be redeemed in the financial year 2024-25. However during the financial year 2020-21 these preference shares were converted into Compulsorily convertible preference shares which were simultaneously converted into 8,19,443 Equity Shares of ₹ 10/- each at a price of ₹ 36/- per share which represents the book value per share.

### Note 10.6 0% Series B compulsorily convertible non- cumulative Preference Shares (CCNCPs)

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
At the beginning of the year	-	-	50,00,000	500.00
Issued during the year	-	-	10,00,000	100.00
(Converted/ Redeemed) during the year	-	-	-60,00,000	-600.00
At the year end	-	-	-	-

- 10.6.1 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹ 10/- were converted into 16,66,665 Equity Shares of ₹ 10/- each at a price of ₹ 36/- per share which represents the book value per share
- 10.7 During the financial year 2020-21 the Company has converted inter corporate deposits of ₹ 380.40 Lakhs standing in the name of M/s Ansh Commerce Private Limited and M/s Reo Solutions Private Limited into 10,56,666 Equity Shares of ₹ 10/- each at a price of ₹ 36 per share (Book Value) as mutually agreed with the lenders



# Notes

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## Note 10.8 Equity shareholders holding more than 5% equity shares:

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Percentage	No. of Shares	Percentage	No. of Shares
Rupesh Kumar Gupta	24.70%	41,93,847	24.73%	41,93,847
Sailesh Gupta	17.30%	29,36,222	17.31%	29,36,222
Rupesh Kumar./Shailesh Kumar./Rakesh Kumar Gupta	13.74%	23,33,338	13.76%	23,33,338
Ansh Commerce Private Limited	11.67%	19,81,665	11.68%	19,81,665
Rakesh Kumar Gupta	9.66%	16,40,000	11.14%	18,90,000
Sunita Gupta	6.34%	10,75,720	7.82%	13,25,720
Parul Gupta	5.34%	9,05,968	5.34%	9,05,968

## Note 10.9 Shares held by promoters

### Equity Shares:

#### As at 31<sup>st</sup> March 2022

Shares held by promoters at the period end			% Change during the year
Promoter Name	No. of Shares	(*) % of total shares	
Rupesh Kumar Gupta	41,93,847	24.70%	0.03%
Sailesh Gupta	29,36,222	17.30%	0.01%

\* The change in the promoters shareholding in percentage terms is due to issue of shares to other than promoters during the year

#### As at 31<sup>st</sup> March 2021

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	No. of Shares	% of total shares	
Rupesh Kumar Gupta	41,93,847	24.73%	15.27%
Sailesh Gupta	29,36,222	17.31%	19.16%

10.10 The above shareholding represents both legal and beneficial ownerships of shares, as per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest

#### 10.11 Terms/rights attached to equity shares:

Each holder of equity share is entitled to (i) voting rights, (ii) dividends if any declared by the board subject to approval of the shareholders (except in case of interim dividends), and (iii) proportionate share in the distribution of surplus assets of the company after payment of all preferential payments, on the liquidation.

	No. of Shares issued as bonus shares	No. of Shares issued as bonus shares
10.12 The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years i.e. on 23 <sup>rd</sup> December 2017, as at the year end	89,53,647	89,53,647
10.13 The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended	-	-
10.14 The aggregate number of equity shares brought back in immediately preceding five years ended	-	-

#### 10.15 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

## Notes

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### Note 11 Other Equity

As at 31<sup>st</sup> March 2022

Particulars	Equity component of compound financial instruments	Reserves and surplus		(Figures in Lakhs) Total
		Securities premium	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2021	94.64	1,455.18	3,833.00	5,382.82
Additions during the year:				
(a) Total Comprehensive Income for the period/year	-	-	3,189.89	3,189.89
(b) Premium on issue of shares	-	3.90	-	3.90
(c) Share issue expenses		-172.56		-172.56
		-168.66	3,189.89	3,021.23
Balance as at 31 <sup>st</sup> March 2022	<b>94.64</b>	<b>1,286.52</b>	<b>7,022.89</b>	<b>8,404.05</b>
<b>Balance as at 1<sup>st</sup> April 2020 (refer Note No.11.1.1 to 11.1.3)</b>	<b>703.26</b>	<b>485.96</b>	<b>2,317.34</b>	<b>3,506.55</b>
Additions during the year:				
(a) Total Comprehensive Income for the period	-	-	1,515.66	1,515.66
(b) Equity component of Compound Financial Instruments - 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	100.00			100.00
(c) Premium on issue of shares	-	48.10	-	48.10
(d) Premium on conversion of convertible preference shares into Equity Shares	-	646.39	-	646.39
(e) Premium on conversion of inter corporate deposits into Equity Shares	-	274.73	-	274.73
	<b>100.00</b>	<b>969.22</b>	<b>1,515.66</b>	<b>1,069.22</b>
Less:				
(a) Equity component of Compound Financial Instruments -on conversion of 3% Series A Redeemable Non Cumulative Preference Shares into Equity Shares	108.62	-	-	108.62
(b) Equity component of Compound Financial Instruments - on conversion of 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares into Equity Shares	600.00	-	-	600.00
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>94.64</b>	<b>1,455.18</b>	<b>3,833.00</b>	<b>5,382.82</b>

#### 11.1 Term and conditions of compound financial instruments - Preference Shares

##### 11.1.1 3% Series A Redeemable Non Cumulative Preference Shares (RNCPS)

\* Converted into 0% Compulsorily Convertible preference shares on 24<sup>th</sup> December 2020

29,50,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹ 10 each fully paid up.

##### Terms and conditions of the above preference shares

- i) The RNCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- ii) The RNCPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;
- iii) The RNCPS shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- iv) The payment of dividend shall be on Non cumulative basis for the RNCPS.
- v) The RNCPS were Non-convertible and subsequently were converted to Equity shares due to change in the terms
- vi) The RNCPS shall be redeemable within a period of 5 years from the date of allotment at par on the Face Value of the preference shares
- vii) The above preference shares are discounted at 8% p.a.



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### 11.2 0 % Series A Redeemable Non Cumulative Preference Shares

33,16,200 .0% Series A Redeemable Non Cumulative Preference Shares of ₹ 10 each

#### Terms and conditions

- i) The 0% Series A Redeemable Preference Shares of ₹ 10/- be redeemed at par, without any premium, and shall be redeemed by the Company at any time within 20 years from the date of issue.
- ii) The 0% Series A Redeemable Preference Shares of ₹ 10/- shareholders are vested with right of put option for redemption of share at any time, before the company calls for redemption.
- iii) These preference shareholders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act.
- iv) The RNCPS are non-participating shares in the surplus funds;
- v) The RNCPS carry a preferential right vis-a-vis Equity Shares of the Company with respect to repayment in case of winding up or repayment of capital.

### 11.3 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares

60,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹ 10 each.

#### Terms and conditions

- i) The 0% CCNCPs are non-participating shares in surplus funds and in surplus assets and profits, on winding-up
- ii) The 0% CCNCPs carry a preferential right vis-a-vis equity shares with respect to payment of dividends or repayment of capital;
- iii) The 0% CCNCPs carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.
- iv) The dividend, if any, is payable on Non cumulative basis for the 0% CCNCPs.
- v) The 0% CCNCPs are Compulsorily convertible into Equity Shares of the Company as per the terms and conditions attached to these shares

### 11.2 Nature and purpose of creation and utilisation of reserves

11.2.1 **Securities Premium:** Securities premium is created on excess amount received over and above the face value on issue of the shares and securities. The securities premium can be utilised in accordance with the provisions of Section 52 of the Companies Act 2013. These include issue of bonus shares and writing off expenses incurred such as commission etc. on issue of shares/securities.

11.2.2 **Retained Earnings:** Retained earnings are the profits (including Other Comprehensive income) that the company has earned till date, less any transfer to general reserve, dividends or other distribution or the distributions paid to the shareholders.

## Notes

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### Note 12 Borrowings

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured:</b>		
<b>(a) Term Loans :</b>		
(i) From banks - Canara Bank (Other than Vehicle loans) (Refer Note No. 12.1.1)	3,157.28	3,170.24
- Canara Bank (Vehicle Loans) (Refer Note No. 12.1.2)	-	2.90
	<b>3,157.28</b>	<b>3,173.14</b>
<b>Unsecured:</b>		
<b>(a) Vehicle Loans</b>		
(i) From banks - HDFC Bank (Refer Note No. 12.1.3)	8.71	15.46
(ii) From Others - Kotak Mahindra Prime Ltd (Refer Note No. 12.1.4)	11.83	8.64
	<b>20.54</b>	<b>24.10</b>
<b>(b) Loans from related parties</b>		
- From Directors	151.66	197.16
(c) Compound financial instruments - Preference shares (Refer note:- 12.2 and 12.3)	120.48	-
	<b>292.69</b>	<b>221.26</b>
<b>Total</b>	<b>3,449.97</b>	<b>3,394.40</b>

### Note 12.1 Note (i) Term and conditions for repayment of loan

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Non Current	Current	Non Current	Current
12.1.1 Primary Charge on equitable mortgage of land & buildings, existing plant & machinery and other property, plant and equipment's, and by collateral security for working capital, whether present or future and are further guaranteed by two Directors of the Company & their Family Members. The loan taken from Canara Bank MCB Branch is repayable in 58 monthly instalments starting from Jun'2019 till Mar' 2024. Applicable Rate of Interest for the FY 2021-22 is 10.10% (Applicable Rate of Interest for FY 2020-21 is 10.10%)	825.80	600.00	1,431.41	600.00
primary charge on equitable mortgage of land & buildings, existing plant & machinery and other property, plant and equipment's, and by collateral security for working capital, whether present or future and are further guaranteed by two directors of the company & their family members. the loan taken from canara bank mcb branch is repayable in 58 monthly instalments starting from jun'2019 till mar' 2024. applicable rate of interest for the fy 2021-22 is 7.41%	1,126.92	1.17	-	-
Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly instalments starting from Feb' 2017 till Aug' 2021. Applicable Rate of Interest for the FY 2021-22 is 11.25% (Applicable Rate of Interest for FY 2020-21 is 11.25%)	-	-	-	12.50



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to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

Particulars	(Figures in Lakhs)			
	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Non Current	Current	Non Current	Current
Secured by Primary Charge on Equitable Mortgage of Land & Building , existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in 57 monthly instalments starting from April'2021 till March' 2025. Applicable Rate of Interest for the FY 2021-22 is 11.04% (Applicable Rate of Interest for FY 2020-21 is 9.93%)	479.23	236.86	718.80	233.35
Secured by Primary Charge on Equitable Mortgage of Land & Building , existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in 18 monthly instalments starting from Jan'2021 till June' 2022. Applicable Rate of Interest for the Period ending Dec-21 is 7.93% (Applicable Rate of Interest for FY 2020-21 is 8.10%)	-	54.47	54.47	211.80
Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in 60 monthly instalments starting from April' 2022 till March' 2026. Applicable Rate of Interest for the Period ending Dec-21 is 7.55% (Applicable Rate of Interest for FY 2020-21 is 7.69%)	725.34	242.08	965.56	0.78
<b>Total</b>	<b>3,157.28</b>	<b>1,134.58</b>	<b>3,170.24</b>	<b>1,058.43</b>
12.1.2 Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Canara Bank is repayable in monthly 60 instalments till Jan'2023. Applicable Rate of Interest is 7.85%	-	2.94	2.90	2.20
12.1.3 Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly instalments till May' 2024. Applicable Rate of Interest is 9.25%	8.71	6.75	15.46	6.16
<b>Note (ii) Term and conditions for repayment of loan other than bank as follows:-</b>				
12.1.4 Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in 60 monthly instalments till Jan'2023. Applicable Rate of Interest is 7.75%	-	9.61	8.64	11.92
Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in 36 monthly instalments till Feb'2025. Applicable Rate of Interest is 7.25%	11.83	5.57	-	-
<b>Total</b>	<b>11.83</b>	<b>15.18</b>	<b>8.64</b>	<b>11.92</b>

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to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

12.2 The Company had issued in FY 2015-16, Zero percent (0)% Redeemable Non Cumulative Preference Shares (NCPS) with an option to the Board to redeem these NCPSs at a premium of 5 % at any time within a period of 5 years or at a premium of 10% within a period of 10 years or at a premium of 20% if the shares are redeemed after a period of 10 years. As the tenure of Preference Shares was about to complete 5 years the Board initiated the process for KYC and redemption of the said preference shares with the consent of such preference shareholders.

On non receipt of KYC from one of the preference shareholder, a board meeting was called up during 2021-22 on 25<sup>th</sup> October, 2021 and instead of redemption, the company decided and passed a Board resolution for change in terms of redemption i.e. no premium on redemption with a maturity period at the end of 20 years (against earlier period of 5 years or 10 years or beyond 10 years as the case may be) and the same was approved in the adjourned preference shareholders' meeting held on 26<sup>th</sup> November, 2021 with one shareholder present. The necessary filings for the same is complied with the Ministry of Corporate Affairs.

12.3 For terms and conditions for Compound financial instruments, refer note no. 11.1

### Note 13 Provisions

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
- for Employee Gratuity	35.41	20.58
- for Compensated Absences	0.52	-
<b>Total</b>	<b>35.93</b>	<b>20.58</b>

### Note 14 Deferred tax liabilities (Net)

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Balance in the beginning (Net)	358.45	222.80
Add: Deferred tax recognised in Profit and Loss other than MAT	-43.50	41.09
Minimum alternate tax (credit) available	-	94.56
<b>Balance at the year end (Net)</b>	<b>314.95</b>	<b>358.45</b>

14.1 For Components of deferred tax (assets) and liabilities please refer note no.28

### Note 15 Borrowings

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured:</b>		
(a) Loans repayable on demand		
From banks: - (Canara Bank)		
(i) Cash Credit facilities	3,759.67	2,593.88
(ii) Bills discounted	377.10	602.29
	<b>4,136.77</b>	<b>3,196.17</b>
(b) Current maturities of long term borrowings towards:		
(i) Long term borrowings from banks	1,141.33	1,064.59
	<b>1,141.33</b>	<b>1,064.59</b>



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	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured:</b>		
(a) Current maturities of long term borrowings towards:		
(i) Long term borrowings from banks	2.94	2.20
(ii) Long term borrowings from other than banks	15.18	11.92
(b) Compound financial instruments - Preference shares	-	348.20
	<b>18.13</b>	<b>362.32</b>
<b>Total</b>	<b>5,296.22</b>	<b>4,623.08</b>

- 15.1 The above loans are secured by way of hypothecation of inventories and receivables and by secondary charge on other property, plant and equipment's. These are also guaranteed by the personal guarantees of the two Directors and their relatives
- 15.2 The quarterly returns/ statements read with subsequent revisions filed by the Company with the banks are in agreement with the books of accounts.

## Note 16 Trade payable

	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a) Outstanding dues of Micro and small enterprises	-	-
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	1,038.84	429.93
<b>Total</b>	<b>1,038.84</b>	<b>429.93</b>

### 16.1 Ageing of trade payable are as follows:

#### As at 31<sup>st</sup> March 2022

Undisputed	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	1,038.84	-	-	-	1,038.84
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-

#### As at 31<sup>st</sup> March 2021

Undisputed	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	429.93	-	-	-	429.93
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-

- 16.2 The information in respect of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been given in respect of such vendors to the extent they could be identified as Micro, Small enterprises on the basis of information available with the company on records.
- 16.3 The information required under note no. 6. FA (a) to ( e ) as per the general instruction for preparation of balance sheet not applicable as there are no trade payable for SME.
- 16.4 Trade payable include the amounts due to a firm in which the directors are partners

## Notes

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### Note 17 Other financial liabilities

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	(Figures in Lakhs)
Capital goods and Consumable stores and spares	401.74	968.05	
<b>Total</b>	<b>401.74</b>	<b>968.05</b>	

### Note 18 Other current liabilities

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	(Figures in Lakhs)
(a) Statutory dues payable	279.89	253.32	
(b) Other liabilities - Outstanding expenses	10.78	12.49	
<b>Total</b>	<b>290.67</b>	<b>265.81</b>	

- 18.1 Statutory dues primarily relate to payables in respect of GST, tax deducted at source, tax collected at source, ESI, Provident fund and professional tax

### Note 19 Provisions

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	(Figures in Lakhs)
- for Employee gratuity	2.05	0.19	
- for Compensated Absences	0.01	-	
<b>Total</b>	<b>2.06</b>	<b>0.19</b>	

### Note 20 Current tax liabilities (Net)

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	(Figures in Lakhs)
<b>Provision for tax (net of taxes paid)</b>	<b>658.80</b>	<b>234.59</b>	

### Note 21 Revenue from operations

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
(a) Sale of Steel products (Refer note 21.1 below)	43,056.65	25,413.89	
<b>Total</b>	<b>43,056.65</b>	<b>25,413.89</b>	
21.1 (i) Sales of Products			
Sales of manufacturing goods	59,572.25	30,256.07	
<b>Total</b>	<b>59,572.25</b>	<b>30,256.07</b>	
Less: Taxes & Duties	9,093.13	4,626.25	
Less: Internal Stock Transfer	7,422.47	215.92	
<b>Revenue from operations</b>	<b>43,056.65</b>	<b>25,413.89</b>	



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### Note 22 Other income

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
(a) Interest income	34.92	42.23	
(b) Gain on foreign currency transactions (net)	-	0.05	
(c) Gain on Settlement of Compound Financial Instrument	-	26.14	
(d) Gain on Modification of Compound Financial Instrument	236.12	-	
(e) Misc Income	0.45	-	
<b>Total</b>	<b>271.50</b>	<b>68.42</b>	

### Note 23 Cost of materials consumed

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
(a) Raw materials consumed:			
Opening stock	1,178.03	738.47	
Add: Purchases during the year	37,312.76	18,220.50	
	<b>38,490.79</b>	<b>18,958.97</b>	
Less: Internal Stock Transfer	7,422.47	215.92	
Less: Closing Stock	1,140.31	1,178.03	
	<b>8,562.77</b>	<b>1,393.95</b>	
<b>Raw materials consumed (a)</b>	<b>29,928.01</b>	<b>17,565.02</b>	
(b) Stores & Spares consumed:			
Opening stock	3,238.52	2,369.35	
Add: Purchases during the year	2,678.83	1,335.86	
	<b>5,917.35</b>	<b>3,705.21</b>	
Less: Closing Stock	4,741.96	3,238.52	
<b>Stores and spares consumed (b)</b>	<b>1,175.38</b>	<b>466.68</b>	
<b>Total cost of materials consumed (a)+(b)</b>	<b>31,103.40</b>	<b>18,031.70</b>	

### Note 24 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
Finished goods			
Opening stock	3,591.45	2,845.67	
Less: Closing Stock	5,596.73	3,591.45	
<b>(Increase)/decrease in inventories</b>	<b>-2,005.27</b>	<b>-745.78</b>	

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 25 Employee benefits expense

	For the year ended 31 <sup>st</sup> March 2022	(Figures in Lakhs)	For the year ended 31 <sup>st</sup> March 2021
(a) Salaries and wages			
- Salaries and Wages	1,666.94	537.27	
- Remuneration to Key Managerial Personal	360.58	353.38	
(b) Contribution to provident fund/employees state Insurance and others	71.30	56.85	
(c) Staff welfare expenses	37.50	3.05	
<b>Total</b>	<b>2,136.31</b>		<b>950.55</b>

### Note 26 Finance costs

	For the year ended 31 <sup>st</sup> March 2022	(Figures in Lakhs)	For the year ended 31 <sup>st</sup> March 2021
(a) Interest expense :			
(i) Cash Credit Facilities	329.90	286.25	
(ii) Term Loans	366.85	300.49	
(iii) Vehicle Loans	3.52	5.03	
(iv) LC Commission	79.72	104.36	
(v) Finance Cost on Compound Financial Instruments	8.41	37.54	
	<b>788.40</b>	<b>733.68</b>	
(b) Other financial costs	30.29	17.53	
<b>Total</b>	<b>818.70</b>		<b>751.21</b>

### Note 27 Other expenses

	For the year ended 31 <sup>st</sup> March 2022	(Figures in Lakhs)	For the year ended 31 <sup>st</sup> March 2021
(a) Communication Expenses		3.87	3.24
(b) Director Sitting Fees		6.15	3.48
(c) Commission Expenses		6.68	10.74
(d) Office Maintenance		5.63	1.67
(e) Printing & Stationary		9.65	2.86
(f) Security Services		39.97	17.21
(g) Advertisement and sales promotion		33.01	2.72
(h) Rent		16.80	16.80
(i) Travelling and conveyance		55.32	24.88
(j) Payment to auditors (refer note 27.1 below)		6.00	2.30
(k) Payment to cost auditor		0.55	0.55
(l) Legal and professional charges		46.75	40.06
(m) Production Factory Maintaintce		43.83	-
(n) Repairs and Maintaintce			
(i) Building		28.30	25.53
(ii) Plant and machinery		192.62	145.41
(iii) Vehicles		6.45	4.27
(iv) Others		4.48	2.70



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	(Figures in Lakhs)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
(o) Rates and taxes	20.44	7.23
(p) Filing and registration fee	34.14	15.93
(q) Corporate social responsibility (refer note 27.2 below)	21.40	27.93
(r) Insurance	14.79	11.03
(s) Loss on foreign currency transactions (net)	0.01	-
(t) Miscellaneous Expenses	7.33	1.55
<b>Total</b>	<b>604.16</b>	

27.1 Payment to auditors

	(Figures in Lakhs)	
Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
For Statutory audit	2.80	1.10
For Tax Audit	0.60	0.60
For Certification fee	2.60	0.60
	<b>6.00</b>	<b>2.30</b>

27.2 As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure as required by the Management are as follows :

	(Figures in Lakhs)	
Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
(a) Gross amount required to be spent by the Company for the year	21.14	15.36
(b) Amount spent during the year:		
(i) on purposes other than construction / acquisition of any asset)	21.40	27.93
(ii) for the purpose of acquisition / construction of assets	-	-
	<b>21.40</b>	<b>27.93</b>
(c) Shortfall at the year end (of CSR expenditure incurred)	-	-
(d) Total of previous year/period short fall	-	-
(e) Out of the above, expenses recognised in Statement of Profit and Loss		
(i) Expenses actually incurred i.e. paid (cash)	21.40	27.93
(ii) Expenses incurred but not paid, i.e. provided for (Provision)	-	-
	<b>21.40</b>	<b>27.93</b>
(f) Nature of CSR activities		
(i) Education	8.72	5.12
(ii) Animal Welfare	7.39	4.46
(iii) Children Welfare	0.37	1.66
(iv) Ensuring Environmental sustainability	1.23	10.30
(v) Health Care	2.94	4.52
(vi) Protection of flora and fauna	-	1.25
(vii) Restoration of buildings and sites of historical importance	0.74	0.63
	<b>21.40</b>	<b>27.93</b>

## Notes

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### Note 28 Disclosure pursuant to Ind AS 12 "Income Taxes"

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
Current tax	1,062.72	447.52	
Deferred tax	-41.53	43.54	
Minimum alternate tax credit entitlement	-	94.56	
Tax for earlier periods	37.29	20.92	
<b>Total</b>	<b>1,058.47</b>	<b>606.54</b>	

#### (a) Income tax expenses - current and deferred tax

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
1. Profit or Loss			
(i) Current Income tax :			
Current income tax expense	1,062.72	447.52	
Tax expense of earlier years	37.29	20.92	
<b>Total (i)</b>	<b>1,100.01</b>	<b>468.44</b>	
(ii) Deferred Tax:			
Tax expense on origination and reversal of temporary differences	-41.53	38.95	
Minimum alternate tax (MAT) credit	-	94.56	
Effect on deferred tax balances due to the change in income tax rate	-	4.59	
<b>Total (ii)</b>	<b>-41.53</b>	<b>138.10</b>	
<b>Income tax expense reported in Profit or Loss [(i)+(ii)]</b>	<b>1,058.47</b>	<b>606.54</b>	

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
2. Other comprehensive income (OCI) Section:			
(i) Items not to be reclassified to Profit or Loss in subsequent periods:			
Current tax expense/(income):			
On measurement of defined benefit plans	-1.96	-2.45	
<b>Income tax expense reported in the OCI section</b>	<b>-1.96</b>	<b>-2.45</b>	

#### (b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
1. Profit or Loss			
(1) Profit before tax as per the Statement of Profit and loss	4,254.19	2,119.74	
(2) Corporate tax rate as per Income Tax Act, 1961			
(a) Tax Rate as applicable to corporates	29.120%	29.120%	
(b) Less: Tax rate adjustment due to opting for rates as applicable under section 115BAA	3.952%	0.000%	
<b>(c) Applicable tax rates</b>	<b>25.168%</b>	<b>29.12%</b>	



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**(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:**

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
1. Profit or Loss			
<b>(3) Tax on Accounting profit (3) = (1) * (2)</b>			
Tax on accounting profit	1,238.82	617.27	
Less:- Amount of adjustment on account of utilising option under section 115BAA for lower income tax rate	168.13	-	
Income Tax as per opted tax rates under section 115BAA for the year /(previous year normal rates)	1,070.70	617.27	
(i) Tax on Income exempt from tax/Non cash Income :	-59.43	-7.61	
(ii) Tax on expenses not tax deductible:			
(A) CSR expenses	5.39	7.88	
(B) Other disallowances	4.20	13.03	
(iii) Effect of previously unrecognised tax losses used to reduce deferred tax expense	-	-	
(iv) Effect on deferred tax balances due to the change in income tax rate	-	4.59	
(v) Effect of current tax related to earlier years	37.29	20.92	
(vi) Tax effect on various other items	0.33	45.02	
(vii) Reversal of MAT credit entitlement	-	-94.56	
<b>Total effect of tax adjustments (i) to (vii)</b>	<b>-12.22</b>	<b>-10.73</b>	
<b>(4) Tax expense recognised during the year (5)=(3)+(4)</b>	<b>1,058.47</b>	<b>606.54</b>	
<b>(5) Effective tax rate (6)=(5)/(1)</b>	<b>24.88%</b>	<b>28.61%</b>	

**(c) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit and Loss**

	Balance Sheet		(Figures in Lakhs)
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2022</b>	<b>For the year ended 31<sup>st</sup> March 2021</b>	
1. Items disallowed u/s 43B of Income Tax Act, 1961	-1.11	3.91	
2. Difference in book depreciation and income tax depreciation	316.06	354.54	
<b>Net deferred tax (assets)/liabilities</b>	<b>314.95</b>	<b>358.45</b>	
Statement of Profit or Loss			
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2022</b>	<b>For the year ended 31<sup>st</sup> March 2021</b>	
1. Items disallowed u/s 43B of Income Tax Act, 1961	-3.06	5.35	
2. Difference in book depreciation and income tax depreciation	-38.48	38.20	
3. Minimum alternate tax credit	-	94.56	
<b>Deferred tax expense/(income)</b>	<b>-41.53</b>	<b>138.10</b>	

**(d) Reconciliation of deferred tax (assets)/liabilities**

	(Figures in Lakhs)	
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2022</b>	<b>For the year ended 31<sup>st</sup> March 2021</b>
Balance as at beginning	358.45	222.80
Tax (income)/expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	-41.53	138.10
(ii) Statement of Profit and Loss under OCI section	-1.96	-2.45
<b>Balance as at the year ended</b>	<b>314.95</b>	<b>358.45</b>

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 29 Earning per Share

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
(a) Profit for the period/year attributable to the owners of the Company used in calculating basic and diluted earnings per share	3,195.72	1,513.20	
(b) Weighted average number of equity shares used as the denominator in calculating basic earnings per share:	1,69,75,259	1,42,16,537	
(c) Adjustments for calculation of diluted earnings per share (Compulsory convertible preference shares)(Number)	-	12,24,014	
(d) Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	1,69,75,259	1,54,40,551	
<b>Basic earnings per share (a/b)</b>	<b>18.83</b>	10.64	
<b>Diluted earnings per share (a/d)</b>	<b>18.83</b>	9.80	

### 30 Disclosure pursuant to Ind AS 19 “Employee Benefits”

#### (a) Defined contribution plans:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognised ₹ 19.20 Lakhs (Year ended March 31, 2021 ₹ 8.18 Lakhs) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

#### (b) Defined benefit plans:

##### Employee benefit Obligation :

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on a year end actuarial valuation.

**Movement of defined benefit obligation:** The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
Changes in the Present Value of Obligation			
<b>PV Obligation as at the start:</b>	<b>20.77</b>	17.99	
Acquisition adjustment -	-	-	
Interest Cost	1.31	1.21	
Past Service Cost	-	-	
Current Service Cost	7.49	4.15	
Curtailment Cost / (Credit)	-	-	
Settlement Cost / (Credit)	-	-	
Benefits paid/Due to be Paid	-	-2.90	
Actuarial (gain)/ loss on obligation.	7.89	0.31	
<b>PV of Obligation as at the end:</b>	<b>37.46</b>	20.77	
<b>Bifurcation of Accrued Liability</b>			
Current Liability (Short term)	2.05	0.19	
Non-Current Liability (Long term)	35.41	20.58	
<b>Total Accrued Liability</b>	<b>37.46</b>	20.77	



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to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

	(Figures in Lakhs)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Changes in the Present Value of Obligation		refer para 140(a)(ii) and 141 of Ind AS19
<b>Changes in the Fair Value of Plan Assets</b>		refer para 140(a)(ii) and 141 of Ind AS19
FV of Plan Assets at the start:	<b>15.74</b>	<b>17.99</b>
Acquisition Adjustments	-0.09	-0.53
Exp. Return on Plan Assets	1.07	0.85
Contributions (net)	-	-
Benefits Paid	-	-2.90
Actuarial Gain / (loss) on Assets	0.09	0.32
<b>FV of Plan Assets at the end:</b>	<b>16.80</b>	<b>15.74</b>
<b>Change in the Effect of Asset Ceiling</b>		refer para 140(a)(iii) and 141 of Ind AS19
Effect of Asset Ceiling at the beginning		
Interest Expense or Cost (to the extent not recognised in net interest expense)		
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
Effect of Asset Ceiling at the end		
<b>Expenses Recognised in the Income Statement</b>		refer para 57(c) of Ind AS19
Current Service Cost	7.49	4.15
Past Service Cost		-
Expected Return on Plan Assets	-1.07	-0.85
Interest cost	1.31	1.21
<b>Expenses Recognised in the Income Statement</b>	<b>7.73</b>	<b>4.51</b>
<b>Other Comprehensive Income</b>		refer para 57(c) of Ind AS19
Actuarial (gain)/ loss on obligations - change in financial assumptions	-1.39	-0.12
Actuarial (gain)/ loss on obligations - change in demographic assumptions	-	-
Actuarial (gain)/ loss on obligations - experience variance (i.e. Actual experience vs. assumptions)	9.28	0.43
<b>Total Actuarial (gain)/ loss on obligations</b>	<b>7.89</b>	<b>0.31</b>
Actuarial Gain / (loss) on Plan Assets	0.09	0.32
<b>Total OCI</b>	<b>7.79</b>	<b>-0.01</b>
Return on plan assets, excluding amount recognised in net interest expense		
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
Components of defined benefit costs recognised in other comprehensive income		
<b>Major categories of Plan Assets (as percentage of Total Plan Assets)</b>		
Government of India securities	Nil	Nil
State Government securities	Nil	Nil
High quality corporate bonds	Nil	Nil
Equity shares of listed companies	Nil	Nil
Property	Nil	Nil
Special Deposit Scheme	Nil	Nil
Funds managed by Insurer	100%	100%
Bank balance	Nil	Nil
Other Investments - LIC	Nil	Nil
<b>Total</b>		
Financial Assumptions		
Discount rate (per annum)	7.16%	6.79%
Salary growth rate (per annum)	4.00%	4.00%

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 31 Related party transactions and disclosures:

31.1 Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year:

#### A) List of Related Parties :

Name	Relationship	Designation
Rupesh Kumar Gupta	Key Managerial Person	Managing Director
Sailesh Gupta	Key Managerial Person	Whole Time Director
Sunita Gupta	Key Managerial Person	Non-Executive Director
Santosh Kumar Rathi (Resigned with effect from 19 <sup>th</sup> March 2021)	Key Managerial Person	Independent Director
Rajender Reddy Gankidi (Appointed with effect from 15 <sup>th</sup> May 2021)	Key Managerial Person	Independent Director
Shanti Sree Bolleni (Appointed with effect from 15 <sup>th</sup> May 2021)	Key Managerial Person	Independent Director
Pramod Kumar Kapoor	Key Managerial Person	Independent Director
Amitabha Bhattacharya	Key Managerial Person	Chief Financial Officer
Chirag Partani	Key Managerial Person	Company Secretary & Compliance Officer
Ashish Agarwal	Key Managerial Person	Marketing Head
Rakesh Kumar Gupta	Director's Relative	Executive
Parul Gupta	Director's Relative	Executive
Isha Gupta	Director's Relative	Executive
Ansh Golas	Director's Relative	Executive

#### B) Enterprises owned or significantly influenced by key managerial personnel:

Reo Solutions Pvt. Ltd.  
 Ansh Commerce Pvt. Ltd.  
 Lakshit Trade Link  
 Ultra Pipes

#### C) The following transactions were carried out with related parties in ordinary course of business

Particulars	(Figures in Lakhs)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
(a) Employee benefits expense		
(i) Short term employee benefits		
Salaries		
Rupesh Kumar Gupta	180.00	180.00
Sailesh Gupta	144.00	144.00
Parul Gupta	36.00	36.00
Isha Gupta	36.00	36.00
Rakesh Kumar Gupta	24.00	24.00
Ansh Golas	7.45	4.50
Amitabha Bhattacharya	16.33	14.14
Chirag Partani	8.26	6.10
Ashish Agarwal	11.98	9.14
<b>Total</b>	<b>464.02</b>	<b>453.88</b>
(ii) Long term employee benefits		
Post employment benefits		
Amitabha Bhattacharya	12.93	10.88



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

**C) The following transactions were carried out with related parties in ordinary course of business**

		(Figures in Lakhs)	
Particulars		For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Chirag Partani		2.88	2.58
Ashish Agarwal		3.31	1.18
<b>Total</b>		<b>19.12</b>	<b>14.63</b>
<b>(iii) Key-insurance premium</b>			
Rupesh Kumar Gupta		20.00	20.00
Sailesh Gupta		20.00	20.00
<b>Total</b>		<b>40.00</b>	<b>40.00</b>
<b>(b) Directors' sitting fees:</b>			
Sunita Gupta		1.33	1.13
Pramod Kumar Kapoor		1.58	1.20
Santosh Kumar Rathi		-	1.15
Rajender Reddy Gankidi		1.63	-
Shanti Sree Bolleni		1.63	-
<b>Total</b>		<b>6.15</b>	<b>3.48</b>
<b>(c) Rent Paid :</b>			
Rupesh Kumar Gupta		6.60	6.60
Sailesh Gupta		6.00	6.00
Parul Gupta		4.20	4.20
<b>Total</b>		<b>16.80</b>	<b>16.80</b>
<b>(d) Sales of Goods</b>			
Ultra Pipes		9,266.84	6,216.73
<b>(e) Purchase of Goods</b>			
Ultra Pipes		8,539.39	3,783.86
Lakshit Trade Link		253.68	12.28
<b>Total</b>		<b>8,793.07</b>	<b>3,796.13</b>
<b>(f) Unsecured Loans Taken</b>			
Rupesh Kumar Gupta		17.00	47.00
Sailesh Gupta		27.00	70.00
Sunita Gupta		20.50	0.00
<b>Total</b>		<b>64.50</b>	<b>117.00</b>
<b>(g) Unsecured Loans repaid/converted into equity shares</b>			
Rupesh Kumar Gupta		80.00	30.00
Sailesh Gupta		30.00	-
Ansh Commerce (Pvt.) Ltd.		-	423.40
Reo Solutions (Pvt.) Ltd.		-	7.00
<b>Total</b>		<b>110.00</b>	<b>460.40</b>
<b>(h) Issue of Preference Share Capital</b>			
Ansh Commerce (Pvt.) Ltd.		-	100.00
Rupesh Kumar Gupta		-	-
Sailesh Gupta		-	-
Sunita Gupta		-	-
<b>Total</b>		<b>-</b>	<b>100.00</b>

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

**C) The following transactions were carried out with related parties in ordinary course of business**

Particulars	(Figures in Lakhs)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>(i) Conversion of Preference Share Capital</b>		
Ansh Commerce (Pvt.) Ltd.	-	340.00
Rupesh Kumar Gupta	-	200.00
Sailesh Gupta	-	170.00
Sunita Gupta	-	185.00
<b>Total</b>	<b>-</b>	<b>895.00</b>
<b>(j) Issue of Equity Share Capital</b>		
Ansh Commerce (Pvt.) Ltd.	-	198.17
Reo Solutions (Pvt.) Ltd.	-	1.94
Rupesh Kumar Gupta	-	55.56
Sailesh Gupta	-	47.22
Sunita Gupta	-	51.39
Amitabha Bhattacharya	-	5.00
Chirag Partani	-	1.00
Ashish Agarwal	-	0.50
Ansh Golas	0.40	4.25
<b>Total</b>	<b>0.40</b>	<b>365.03</b>
<b>(k) Advance To Employees</b>		
Amitabha Bhattacharya	-	18.00
Chirag Partani	-	3.60
Ansh Golas	-	15.30
Ashish Agarwal	-	1.80
<b>Total</b>	<b>-</b>	<b>38.70</b>
<b>(l) Outstanding Unsecured Loan:</b>		
Rupesh Kumar Gupta	29.79	92.79
Sailesh Gupta	91.10	94.10
Sunita Gupta	30.78	10.28
<b>Total</b>	<b>151.66</b>	<b>197.16</b>
<b>(m) Trade Receivable</b>		
Ultra Pipes	502.22	23.91
<b>Total</b>	<b>502.22</b>	<b>23.91</b>
<b>(n) Trade Payable</b>		
Lakshit Trade Link	46.36	-
<b>Total</b>	<b>46.36</b>	<b>-</b>

- 31.2 The sales and purchases, rent, services and other transactions rendered to/from related parties are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash.
- 31.3 The Company has not recorded any impairment of receivables relating to amount owed by related parties and made the provision for bad debts.
- 31.4 This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 32 Contingent liabilities not provided for in respect of:

		For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
32.1	Claims against the company not acknowledged as debts: Disputed tax demands	592.71*	600.69	
	The ITAT has decided the appeal in company's favour by dropping the disputed demand of ₹ 35.05 Lakhs (included in the above amount) as per its order dated 05 <sup>th</sup> October, 2016, pending appellate order effect as at the year end.			
32.2	Bank Guarantees to Pollution board and National Highway excluding financial guarantees (Performance Guarantees)	1.31	5.31	
32.3	Capital & Other Commitments	40.40	-	
32.4	The Company does not expect any reimbursements in respect of the above contingent liabilities.			
32.5	It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (i) to (iii) above pending resolution of the legal proceedings. Further, the liability mentioned in (i) to (iii) above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote.			
32.6	In respect Bank Guarantees, the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends.			

### Note 33 Segment Reporting

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (“CODM”) evaluates the company’s performance and allocates resources based on an analysis of various indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of distribution & selling of Financial products/services to its customers, which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- (a) The company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.

#### (b) Revenues

		For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	(Figures in Lakhs)
Domestic		43,026.45	25,413.89	
Export		30.20	-	
<b>Total</b>		<b>43,056.65</b>	<b>25,413.89</b>	

There are no assets in foreign countries held by the Company except the amounts due from the exports.

- (c) The company have the following major single customers / group of external customer having 10% of its revenue.

Ultra pipes	9,266.84	6,216.73
Shri Lakshmi Steel Suppliers	8,055.91	-

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 34 Leases

The Company has accounted for short term lease as per paragraph 6 of Ind AS 116. The expense relating to short term lease is accounted for as Rent expenses in the statement of profit & loss.

Rent expense incurred during the year	16.80	16.80
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### Note 35 Financial Instruments classification by category

(a) The carrying value and fair value of financial instruments at the end of 31<sup>st</sup> March 2022 is as under:

35.1	Particulars	(Refer Note No. to the financial statements)					<b>Total Carrying Value 31 March 2022</b>	Total Fair Value	(Figures in Lakhs)					
			At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Compressive Income (OCI)								
<b>(1) ASSETS</b>														
<b>Non-current financial assets</b>														
(i) Other financial assets	3	57.56	57.56	-	-	-	57.56	57.56						
<b>Current financial assets</b>														
(i) Trade receivables	6	2,689.57	2,689.57	-	-	-	2,689.57	2,689.57						
(ii) Cash and cash equivalents	7(a)	7.25	7.25	-	-	-	7.25	7.25						
(iii) Bank balances other than (ii) above	7(b)	41.57	41.57	-	-	-	41.57	41.57						
(iv) Other financial assets	8	-	-	-	-	-	-	-						
<b>Total financial Assets</b>		<b>2,795.94</b>	<b>2,795.94</b>	-	-	-	<b>2,795.94</b>	<b>2,795.94</b>						
<b>(2) LIABILITIES</b>														
<b>Non-current financial liabilities</b>														
(i) Borrowings	12	3,449.97	3,449.97	-	-	-	3,449.97	3,449.97						
<b>Current financial liabilities</b>														
(i) Borrowings	15	5,296.22	5,296.22	-	-	-	5,296.22	5,296.22						
(ii) Trade payables	16	1,038.84	1,038.84	-	-	-	1,038.84	1,038.84						
(iii) Other financial liabilities	17	401.74	401.74	-	-	-	401.74	401.74						
<b>Total financial liabilities</b>		<b>10,186.77</b>	<b>10,186.77</b>	-	-	-	<b>10,186.77</b>	<b>10,186.77</b>						



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

**(b) The carrying value and fair value of financial instruments at the end of 31<sup>st</sup> March 2021 is as under:**

		(Refer Note No. to the financial statements)	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comprehesive Income (OCI)	(Figures in Lakhs)						
35.1	Particulars						Total Carrying Value 31 March 2021	Total Fair Value					
<b>(1) ASSETS</b>													
<b>Non-current financial assets</b>													
(i) Other financial assets	3	49.06	49.06	-	-	-	49.06	49.06					
<b>Current financial assets</b>													
(i) Trade receivables	6	1,962.91	1,962.91	-	-	-	1,962.91	1,962.91					
(ii) Cash and cash equivalents	7(a)	71.76	71.76	-	-	-	71.76	71.76					
(iii) Bank balances other than (ii) above	7(b)	16.24	16.24	-	-	-	16.24	16.24					
(iv) Other financial assets	8	5.42	5.42	-	-	-	5.42	5.42					
<b>Total financial Assets</b>		<b>2,105.38</b>	<b>2,105.38</b>				<b>2,105.38</b>	<b>2,105.38</b>					
<b>(2) LIABILITIES</b>													
<b>Non-current financial liabilities</b>													
(i) Borrowings	12	3,394.40	3,394.40	-	-	-	3,394.40	3,394.40					
<b>Current financial liabilities</b>													
(i) Borrowings	15	4,623.08	4,623.08	-	-	-	4,623.08	4,623.08					
(ii) Trade payables	16	429.93	429.93	-	-	-	429.93	429.93					
(iii) Other financial liabilities	17	968.05	968.05	-	-	-	968.05	968.05					
<b>Total financial liabilities</b>		<b>9,415.47</b>	<b>9,415.47</b>				<b>9,415.47</b>	<b>9,415.47</b>					

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 35.2 Fair Value Measurement

**(i) Fair Value hierarchy**

**Level 1** - Quoted Prices (Unadjusted) in active markets for identical assets or liabilities

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from price)

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 36 Financial risk management

The Company's activities expose it to a variety of financial risks namely

- Market risk,
- Credit risk and
- Liquidity risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management framework are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors is responsible for overseeing The Company's risk assessment and management policies and processes

#### i. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, financial assets and other current assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The history of trade receivables shows a no provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of nonperformance by any of the Company's counterparties. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

#### Reconciliation of loss allowance provision – Trade receivables

Opening balance	-	-	-
Changes in loss allowance	-	-	-
Closing balance	-	-	-

#### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



# Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

## (a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts 31 March 2022	Contractual cash flows				(Figures in Lakhs)
		Less than 1 year	1–5 years	More than 5 years	Total	
<b>Non-derivative financial liabilities</b>						
Borrowings (Current and Non Current)	8,746.19	5,296.22	3,329.49	120.48	8,746.19	
Trade payables	1,038.84	1,038.84			1,038.84	
Other current financial liabilities	401.74	401.74			401.74	
<b>Total non-derivative liabilities</b>	<b>10,186.77</b>	<b>6,736.80</b>	<b>3,329.49</b>	<b>120.48</b>	<b>10,186.77</b>	

Particulars	Carrying Amounts 31 March 2021	Contractual cash flows				(Figures in Lakhs)
		Less than 1 year	1–5 years	More than 5 years	Total	
<b>Non-derivative financial liabilities</b>						
Borrowings (Current and Non Current)	8,017.49	4,623.08	3,394.40		8,017.49	
Trade payables	429.93	429.93			429.93	
Other current financial liabilities	968.05	968.05			968.05	
<b>Total non-derivative liabilities</b>	<b>9,415.47</b>	<b>6,021.07</b>	<b>3,394.40</b>	<b>-</b>	<b>9,415.47</b>	

### iii. Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

### iv. Foreign currency risk

The Company does not have any currency risk as there are no foreign currency transactions entered in to by the company having such risks

### v. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	(Figures in Lakhs)	
	31-Mar-22	31-Mar-21
Fixed rate borrowings	42.48	42.18
Floating rate borrowings	8,431.57	7,429.94
<b>Total borrowings</b>	<b>8,474.05</b>	<b>7,472.12</b>
% of Floating rate borrowing to total loans	99.5%	99.4%

### Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

Particulars	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
As at 31 <sup>st</sup> March 2022				
Variable-rate instruments	9.21%	9.21%		
Cash flow sensitivity	-42.16	42.16		
As at 31 <sup>st</sup> March 2021				
Variable-rate instruments	9.30%	9.30%		
Cash flow sensitivity	-37.15	37.15		

### Fair value sensitivity analysis for fixed-rate instruments

There is no foreign currency exposure

## Note 37 Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

### (a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

Sr. No.	Particulars	Note	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021			(Figures in Lakhs)		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Inventories	5	11,479.00	-	11,479.00	8,008.00	-	8,008.00	8,008.00	-	8,008.00
2	Trade receivables	6	2,689.57	-	2,689.57	1,962.91	-	1,962.91	1,962.91	-	1,962.91
3	Other financial assets	8	-	-	-	5.42	-	5.42	5.42	-	5.42
4	Other current assets	9	907.23	-	907.23	501.91	-	501.91	501.91	-	501.91

### (b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Sr. No.	Particulars	Note	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021			(Figures in Lakhs)		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Trade payables:										
	Due to micro enterprises and small enterprises		-	-	-	-	-	-	-	-	-
	Due to others	16	1,038.84	-	1,038.84	429.93	-	429.93	429.93	-	429.93
3	Other financial liabilities	17	401.74	-	401.74	968.05	-	968.05	968.05	-	968.05
4	Other current liabilities	18	290.67	-	290.67	265.81	-	265.81	265.81	-	265.81
5	Provisions	19	2.06	-	2.06	0.19	-	0.19	0.19	-	0.19



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

**Note 38 Value of financial assets and inventories hypothecated as collateral for liabilities and/or commitments and/or contingent liabilities:**

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Current:		
Inventories and trade receivables	14,168.57	9,970.91
Cash and cash equivalents	7.25	71.76
Other current and financial assets	907.23	507.33
<b>Total inventories and current financial assets hypothecated as collateral</b>	<b>15,083.04</b>	<b>10,550.00</b>
Non-current:		
Fixed Investment	50.14	48.64
<b>Total non-current financial assets hypothecated as collateral</b>	<b>50.14</b>	<b>48.64</b>

**Note 38** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### Additional Regulatory Information

**Note 40 Title deeds of Immovable Property not held in name of the Company:**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2(a) on Property, plant and equipment to the financial statements, are held in the name of the Company

**Note 41** There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**Note 42 Wilful Defaulter**

- i. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- ii. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

**Note 43** The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

**Note 44** The Registration of charge in respect of secured loans filed to ROC beyond the statutory period is as under:

Bank Name	: Canara Bank
Loan Amount	: 1130 Lakhs
Date of Agreement	: 10 <sup>th</sup> December 2021
Date of Creation of charge	: 04 <sup>th</sup> March 2022
Delay in number of days	: 54 days
Reason for delay in filling the charge	: Due to administrative reasons

**Note 45** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### Note 46 Ratios analysis and its Element

#### i) Current Ratio

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Current Assets	15,124.61	10,566.23
Current Liabilities	7,688.33	6,521.65
<b>Ratio</b>	<b>1.97</b>	<b>1.62</b>
% Change from previous period/year	<b>21.42%</b>	

#### ii) Debt-Equity Ratio

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(a) Total Debts</b>		
Borrowings - Financial Liability(secured - Term loan)	3,157.28	3,173.14
Borrowings - Financial Liability(unsecured)	292.69	221.26
Borrowings - Current Liability (Current maturities of Terms loan)	1,159.46	1,426.91
Borrowings - Current Liability (Other Loan)	4,136.77	3,196.17
<b>Total Borrowings</b>	<b>8,746.19</b>	<b>8,017.49</b>
<b>(b) Total Equity</b>	<b>10,101.67</b>	<b>7,078.94</b>
<b>Debt-Equity Ratio = (a/b)</b>	<b>0.87</b>	<b>1.13</b>
% Change from previous period/year	<b>-23.55%</b>	

#### iii) Debt Service Coverage Ratio

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(a) Earnings available for debt services</b>		
Profit After Tax	3,195.72	1,513.20
Finance costs	818.70	751.21
Depreciation and amortisation expenses	810.53	625.77
<b>Total earnings available for debt services</b>	<b>4,824.95</b>	<b>2,890.17</b>
<b>(b) Interest and principal repayments</b>		
Finance Costs	818.70	751.21
Repayment of Long term Debt for the current year	1,092.03	464.16
<b>Total interest and principal repayments</b>	<b>1,910.73</b>	<b>1,215.37</b>
<b>Debt Service Coverage Ratio = (a/b)</b>	<b>2.53</b>	<b>2.38</b>
% Change from previous period/year	<b>6.19%</b>	



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### iv) Inventory turnover ratio

		(Figures in Lakhs)	
Particulars		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a)	<b>Cost of goods sold</b>		
	Cost of materials consumed	31,103.40	18,031.70
	Changes in inventories of finished goods	-2,005.27	-745.78
	<b>Total cost of goods sold</b>	<b>29,098.12</b>	<b>17,285.92</b>
(b)	<b>Average inventories</b>		
	Opening inventories	8,008.00	5,953.49
	Closing inventories	11,479.00	8,008.00
	<b>Average inventories</b>	<b>9,743.50</b>	<b>6,980.75</b>
	<b>Inventory turnover ratio = (a/b)</b>	<b>2.99</b>	<b>2.48</b>
	<b>% Change from previous period/year</b>	<b>20.60%</b>	

### v) Trade payables turnover ratio

		(Figures in Lakhs)	
Particulars		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a)	<b>Credit purchases</b>		
	Purchases raw material	29,890.29	18,004.58
	Purchase store and spares	2,678.83	1,335.86
	<b>Total credit purchases</b>	<b>32,569.11</b>	<b>19,340.44</b>
(b)	<b>Average trade payables</b>		
	Opening trade payables	429.93	1,492.72
	Closing trade payables	1,038.84	429.93
	<b>Average trade payables</b>	<b>734.39</b>	<b>961.33</b>
	<b>Trade payables turnover ratio = (a/b)</b>	<b>44.35</b>	<b>20.12</b>
	<b>% Change from previous period/year</b>	<b>120.44%</b>	

#### Reason for change more than 25%

The ratio has decreased from 20.12 in March 2021 to 44.35 mainly due to increase in credit purchases during the year

### vi) Trade Receivables turnover ratio

		(Figures in Lakhs)	
Particulars		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a)	<b>Credit sales</b>		
		43,056.65	25,413.89
(b)	<b>Average trade receivables</b>		
	Opening trade receivables	1,962.91	2,277.60
	Closing trade receivables	2,689.57	1,962.91
	<b>Average trade receivables</b>	<b>2,326</b>	<b>2,120</b>
	<b>Trade receivable turnover ratio = (a/b)</b>	<b>18.51</b>	<b>11.99</b>
	<b>% Change from previous period/year</b>	<b>54.42%</b>	

#### Reason for change more than 25%

The ratio has decreased from 11.99 in March 2021 to 18.51 mainly due to increase in sales of the company and dealing in value added products

## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### vii) Net capital turnover ratio

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a) <b>Sales</b>	43,056.65	25,413.89
(b) <b>Net working capital</b>		
Current assets (A)	15,124.61	10,566.23
Current liabilities (B)	7,688.33	6,521.65
<b>Net working capital (C) = (A-B)</b>	<b>7,436.28</b>	<b>4,044.58</b>
<b>Net capital turnover ratio = (a/b)</b>	5.79	6.28
% Change from previous period/year	-7.85%	

### viii) Net profit ratio

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a) Net profit after tax	3,195.72	1,513.20
(b) Sales	43,056.65	25,413.89
<b>Net profit ratio = (a/b)</b>	<b>7.42%</b>	<b>5.95%</b>
% Change from previous period/year	24.65%	

### ix) Return on Equity Ratio

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a) Net profit after tax	3,195.72	1,513.20
(b) Total equity	10,101.67	7,078.94
<b>Return on equity ratio = (a/b)</b>	<b>31.64%</b>	<b>21.38%</b>
% Change from previous period/year	48.00%	

#### Reason for change more than 25%

The ratio has increased from 21.38% in March 2021 to 31.64% due to increase in net profit of the company

### x) Return on capital employed

Particulars	(Figures in Lakhs)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a) <b>EBIT</b>		
Net profit after tax (A)	3,195.72	1,513.20
Finance costs (B)	818.70	751.21
Total tax expense (C)	1,058.47	606.54
<b>Total EBIT (A)+(B)+(C)</b>	<b>5,072.89</b>	<b>2,870.95</b>
(b) <b>Capital Employed (G)=(E)-(F)</b>		
Total equity (D)	10,101.67	7,078.94
Borrowings - Financial liability(Secured - Term loan)	3,157.28	3,173.14
Borrowings - Financial liability(Unsecured)	292.69	221.26
<b>Total borrowings (E)</b>	<b>3,449.97</b>	<b>3,394.40</b>
<b>Total capital employed (D)+(E)</b>	<b>13,551.64</b>	<b>10,473.35</b>
<b>Return on Capital employed =(a/b)</b>	<b>37.43%</b>	<b>27.41%</b>
% Change from previous period/year	36.56%	

#### Reason for change more than 25%

The ratio has increased from 27.41% in March 2021 to 37.43% due to increase in net profit of the company



## Notes

to Ind AS financial statements for the period ended 31<sup>st</sup> March 2022

### xi) Return on investment

		(Figures in Lakhs)	
Particulars		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a)	<b>Total income</b>		
	Profit before tax (1 - tax rate) (A)	3,183.50	1,502.47
	Finance costs (1 - tax rate) (B)	612.65	532.46
	<b>Total income (C) = (A)+(B)</b>	<b>3,796.15</b>	<b>2,034.93</b>
(b)	<b>Total assets</b>	21,590.84	17,374.03
	<b>Return on investment = (a/b)</b>	<b>17.58%</b>	<b>11.71%</b>
	<b>% Change from previous period/year</b>	<b>50.12%</b>	

#### Reason for change more than 25%

The ratio has increased from 11.71% in March 2021 to 17.58% mainly due to decrease in the income tax as the company shifts to new section of income tax act i.e. 115BBA, offering lower rate of tax

### Note 47 Events Occuring After The Balance Sheet:

The equity shares of the company have been listed with the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") i.e. the stock exchanges on 13<sup>th</sup> April 2022 on completion of its initial Public Offering (IPO). The Company has accordingly issued 85,00,000 equity shares of face value ₹ 10 each at a premium of ₹ 143 per share aggregating to ₹ 13,005 lakhs.

**Note 48** Previous year figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments

As per our report of even date annexed hereto.

For **RAKESH S JAIN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 010129S

Sd/-  
**Pankaj Chandak**  
(Partner)  
Membership No: 229355  
UDIN: 22229355AINVYJ5908

Place: Hyderabad  
Date : 06<sup>th</sup> May 2022

For **R KABRA & CO. LLP**  
Chartered Accountants  
Firm Registration No: 104502W/W100721

Sd/-  
**Deepa Rathi**  
(Partner)  
Membership No: 104808  
UDIN: 22104808ALVNOR6409

Place: Hyderabad  
Date : 06<sup>th</sup> May 2022

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**  
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-  
**Rupesh Kumar Gupta**  
Managing Director  
DIN: 00540787

Sd/-  
**Amitabha Bhattacharya**  
Chief Financial Officer

Place: Hyderabad  
Date : 06<sup>th</sup> May 2022

Sd/-  
**Sailesh Gupta**  
Whole Time Director  
DIN: 00540862

Sd/-  
**Chirag Partani**  
Company Secretary  
Membership No: A51269

# Notice

Notice is hereby given that the **15<sup>th</sup> Annual General Meeting** of the Members of **Hariom Pipe Industries Limited** will be held on Friday, the 09<sup>th</sup> day of September, 2022, at 10.30 A.M. at Hotel Inner Circle situated at Namita Road, Saboo Heights, 6-3-905, Raj Bhavan Rd, Matha Nagar, Somajiguda, Hyderabad, 500082 Telangana to transact the following business:

## ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2022 along with the Report of the Directors and the Auditors:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. **To appoint Mrs. Sunita Gupta, who retires by rotation as a Director:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 152 of the Companies Act, 2013, Mrs. Sunita Gupta (DIN: 02981707), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

## SPECIAL BUSINESS:

3. **To Appoint Mr. Soumen Bose (DIN: 09608922) as an Independent Director of the Company:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1) (b) and all other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Soumen Bose (DIN: 09608922) who was appointed as an Additional Director in the capacity of Independent Director of the

Company by the Board of Directors w.e.f 10<sup>th</sup> June, 2022 in terms of Section 161 of the Companies Act, 2013 and Reg 17 of SEBI (LODR) Reg, 2015 and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years w.e.f 10<sup>th</sup> June, 2022.

4. **To Re-appoint Mr. Pramod Kumar Kapoor (DIN: 03557358) as Chairman & Independent Director of the Company:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr. Pramod Kumar Kapoor (DIN: 03557358) who was appointed as Chairman & Independent Director of the Company w.e.f 08<sup>th</sup> January, 2018 for a term of 5 (Five) consecutive years and who holds office till 07<sup>th</sup> January 2023 and in respect of whom the Company has received a Notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for reappointment as Chairman & Independent Director of the Company, be and is hereby reappointed as Chairman & Independent Director of the Company for a Second term of 5 (Five) Consecutive years with effect from 08<sup>th</sup> January, 2023 whose office shall not be liable to retire by rotation.

5. **To ratify the remuneration of Cost Auditors for the financial year ending 31<sup>st</sup> March, 2023:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s. Seshadri & Associates., Cost Accountants



(Regn. No 101476), Hyderabad, appointed as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023, amounting to ₹ 75,000/- (Rupees Seventy Five thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.”

#### **6. To approve Material Related Party Transaction(s):**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “the Listing Regulations”), and all applicable provisions of the Companies Act, 2013 (hereinafter called “the Act”) and Rules made there under, (including any statutory modification(s) and/or re-enactment thereof for the time being in force), the Company’s Policy on Related Party Transactions, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter into arrangements/transactions/contracts with below mentioned related party (“Related Party”), relating to transactions the details of which are more particularly set out in the explanatory statement of this Notice, provided however that the aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with the Related Party and remaining outstanding at any one point in time shall not exceed the limits mentioned below during the financial year, provided that the said transactions are entered into/ carried out on arm’s length basis and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount ₹ in Cr.)
Ultra Pipes- Partnership Firm	Related party as per Companies Act, 2013, Accounting Standards and Listing Regulations.	Sale, purchase or supply of any goods or materials.	100

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted by the Board or any person(s) authorized by the Board in this regard) be and are hereby authorised to do all acts and deeds, things and execute all such documents and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

#### **7. Approval for increase in remuneration of Mr. Rupesh Kumar Gupta, Managing Director of the Company:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration committee and pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to revise in the remuneration of Mr. Rupesh Kumar Gupta (DIN: 00540787), Managing Director of the Company, as mentioned in the below table which will be effective from 01<sup>st</sup> October, 2022 for his remaining tenure as the Managing Director of the Company and other terms and conditions remaining same.

Particulars	Amount
Basic Salary	15,00,000/- p.m.
Commission	2.5% of Net Profit

**RESOLVED FURTHER THAT** where in any financial year during the tenure of the said Managing Director, the company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** any of the Directors and the company secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.”

#### **8. Approval for increase in remuneration of Mr. Sailesh Gupta, Whole time Director of the company:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneraion committee and pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and

sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members to revise the remuneration of Mr. Sailesh Gupta (DIN: 00540862), Wholetime Director of the Company, as mentioned in the below table which will be effective from 01<sup>st</sup> October, 2022 for his remaining tenure as the Wholetime Director of the Company and other terms and conditions remaining same.

Particulars	Amount
Basic Salary	12,00,000/- p.m.
Commission	2.5% of Net Profit

**RESOLVED FURTHER THAT** where in any financial year during the tenure of the said Wholetime Director, the company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** any of the Directors and the company secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard."

#### 9. Approval for increase in remuneration of Mr. Rakesh Kumar Gupta, Technology Advisor of the Company:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 188(1)(f) of Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re-enactment thereof for the time being in force and as recommended by Nomination and Remuneration committee, Audit Committee and Board of Directors of the Company, the approval of the Members be and is hereby accorded to increase the remuneration of Mr. Rakesh Kumar Gupta, Technology Advisor of the Company and holding an office or place of profit in the company, as computed under applicable provisions of Companies Act, 2013 to ₹ 4,00,000/- per month (Rupees Four Lakh Only), which will be effective from 01<sup>st</sup> October, 2022.

**RESOLVED FURTHER THAT** the Nomination and remuneration committee/ Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr. Rakesh Kumar Gupta holding office or place of profit, within the maximum limit approved by the shareholders.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, any of the Director of the company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

By order of the Board  
For **Hariom Pipe Industries Limited**

Sd/-

**Rupesh Kumar Gupta**

Managing Director

DIN: 00540787

Place: Hyderabad

Date: 10<sup>th</sup> August, 2022

#### Notes:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than Ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Attendance slip, proxy form are Annexed to the Report.
5. In terms of provisions of Section 152 of the Companies Act, 2013, Mrs. Sunita Gupta, Director, retire by rotation at the meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend her respective re-appointment and the details of Director retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the "Annexure to the Notice".
6. Shareholders/ Proxies/ Authorised Representative are requested to bring necessary details of their Shareholding, attendance slip(s) and copies of annual report to the annual general meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.



Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder and the MCA Circulars, the Notice calling the Annual General Meeting along with the Annual Report 2021-22 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company/RTA, unless the Members have requested for a physical copy of the same. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant. For any communication, the Members may also send requests to the Company's email id: cs@hariompipes.com.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.hariompipes.com](http://www.hariompipes.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. <https://www.evotingindia.com/>

All other documents referred to in the Explanatory Statement along with Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, are available for inspection at the Registered office of the Company at 3-4-174/12/2, 1<sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad 500048-Telangana alternatively members can reach out to cs@hariompipes.com.

7. The Company's Registrars & Transfer Agents for its share registry is Bigshare Services Private Limited ("Bigshare") having its registered office at E-3 Ansa Industrial Estatesaki Vihar Road Sakinaka, Mumbai - 400072.

#### **8. The instructions of shareholders for remote e-voting:**

- (i) The remote e-voting period begins on Tuesday, 06<sup>th</sup> September, 2022 at 9:00 A.M. and ends on Thursday, 08<sup>th</sup> September, 2022 at 5:00 P.M. The e-voting module shall be disabled by CDSL for voting thereafter.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date

i.e. Friday, 02<sup>nd</sup> September, 2022, may cast their vote electronically.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

#### **Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdsliindia.com/myeasi/home/login">https://web.cdsliindia.com/myeasi/home/login</a> or visit <a href="http://www.cdsliindia.com">www.cdsliindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdsliindia.com/myeasi/Registration/EasiRegistration">https://web.cdsliindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdsliindia.com">www.cdsliindia.com</a> home page or click on <a href="https://evoting.cdsliindia.com/Evoting/EvotingLogin">https://evoting.cdsliindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/RegisterOnlineForIDeAS">https://eservices.nsdl.com/RegisterOnlineForIDeAS</a> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

#### **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdsliindia.com">helpdesk.evoting@cdsliindia.com</a> or contact at toll free no. 1800225533
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30



**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
  - 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN on Hariom Pipe Industries Limited to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are

required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [acs.vinod@gmail.com](mailto:acs.vinod@gmail.com) (Scrutinizer) and [cs@hariompipes.com](mailto:cs@hariompipes.com) (Company Secretary) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **Process for those shareholders whose email/mobile no. Are not registered with the company/depositories.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy

of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

#### **Other Instructions**

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.hariompipes.com](http://www.hariompipes.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE Mumbai.



## Statement Pursuant to Section 102(1) of the Companies Act, 2013 (“The Act”)

### **Item No. 3:**

Mr. Soumen Bose (DIN: 09608922) was appointed as an Additional Director in the category Non-Executive Independent Director of the Company by the Board of Directors in their Meeting held on 10<sup>th</sup> June, 2022 to hold office of Independent Director up to the ensuing Annual General Meeting or 3 (Three) months from the date of appointment whichever is earlier.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), a listed entity shall ensure that approval of shareholders by way of Special Resolution for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Soumen Bose would require the approval of the members of the Company by way of Special Resolution.

Based on recommendations of Nomination and Remuneration Committee, Board have approved the appointment of Mr. Soumen Bose (DIN: 09608922) as Non-Executive Independent Director of the Company, not liable to retire by rotation to hold office for a period of 5 (Five) years i.e., from 10<sup>th</sup> June, 2022 to 09<sup>th</sup> June, 2027 subject to approval of the Shareholders.

Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

Mr. Soumen Bose is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declarations from him that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Soumen Bose fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

He shall be paid remuneration by way of sitting fee for attending meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board or committees.

The details of Mr. Soumen Bose, nature of his expertise in specific functional areas and names of company in which he hold directorships, shareholding and relationships between directors are provided in “Annexure” to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Soumen Bose setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company. Except the appointee Director with regard to the resolution of his appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the shareholders.

Except Mr. Soumen Bose, being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

### **Item No. 4:**

Mr. Pramod Kumar Kapoor (DIN: 03557358) was appointed as a Chairman & Non executive Independent Director of the Company for a period of 5 years by the Shareholders in their Meeting held on 08<sup>th</sup> January, 2018 to hold office of Independent Director up to 07<sup>th</sup> January, 2023.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board’s report. The Independent Directors shall be appointed by the Board of Directors of the Company, based on the nomination received from Nomination and Remuneration Committee of the Company, constituted by the Board, in accordance with Applicable Law and the Independent Director(s) to be so appointed shall be persons of high standing, good repute and widely acknowledged as experts in their respective field, which the Board deems beneficial to the Company.

The Company has received the consent from Mr. Pramod Kumar Kapoor to act as the Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act. After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Pramod Kumar Kapoor during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 10<sup>th</sup> August, 2022 has considered, approved and recommended the re-appointment of Mr. Pramod Kumar Kapoor as an Independent Directors for a second term of five years with effect from 08<sup>th</sup> January, 2023, to the Board of Directors for their approval. The Board of Directors at its meeting held on 10<sup>th</sup> August, 2022 has approved the proposal for

reappointment of Mr. Pramod Kumar Kapoor as an Independent Director for a second term of five consecutive years with effect from 08<sup>th</sup> January, 2023.

Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018 the Board also recommends the resolution in relation to the continuation of directorship of Mr. Pramod Kumar Kapoor as Chairman & Independent Director of the Company even after he attains the age of 75 years, till the expiry of his term of re-appointment.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in the item no. 4 of the notice.

Except Mr. Pramod Kumar Kapoor, being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

#### **Item No. 5:**

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad to conduct the Audit of the Cost records of the Company at a remuneration of ₹ 75000/- (Rupees Seventy Five Thousand only) for the Financial year ending 31<sup>st</sup> March, 2023.

In Accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2023.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors and Key Managerial personnel or their relatives of the Company are in any way concerned or interested, financially or otherwise, in the resolution.

#### **Item No. 6:**

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "the Listing Regulations"), all Related Party Transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the Members of the Company through a resolution and all related parties shall abstain from voting on such resolution.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements.

The annual consolidated turnover of the Company for the financial year 2021-22 is ₹ 430.57 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 43.05 Crores (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the Members' approval for the following arrangements/transactions/contracts which may be entered into by the Company with its related party from time to time:

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount (₹ in Cr.)
Ultra Pipes-Partnership Firm	Entity Forming part of Promoter's Group	Sale, purchase or supply of any goods or materials	100

The aforesaid Related Party Transactions do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the SEBI Listing Regulations and accordingly the approval of the Shareholders is sought by way of Ordinary Resolution.

The Audit Committee and Board have approved the aforesaid Related Party Transactions at their meetings held on 10<sup>th</sup> August, 2022 in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and noted that these transactions shall be in the Ordinary Course of Business and at arm's length basis. With respect to the above matter, the Shareholders/Members are requested to note following disclosures of Interest:

Sl. No.	Name of the Related Party	Nature of Concern or Interest
1	Ultra Pipes-Partnership Firm	Mr. Rupesh Kumar Gupta, Managing Director and Mr. Sailesh Gupta, Whole Time Director of the Company along with their relative as defined u/s 2(76) of Companies Act 2013, holds 100% capital in the Partnership Firm.

The Board recommends the resolution set out at Item No. 6 of the AGM Notice to the Members for their consideration and approval, by way of Ordinary Resolution.

Except to the extent of shareholding of the Promoters / Directors their Relatives and Key Managerial Personnel in the above mentioned related parties which is duly disclosed above, none of the other Directors/ Key Managerial Personnel/ their Relatives is, in any way, concerned or interested, financially or otherwise in the Ordinary Resolution set out at Item No. 6 respectively.

#### **Item No 7:**

Mr. Rupesh Kumar Gupta was re-appointed as the Managing Director of the Company by the shareholders at their meeting held on 30<sup>th</sup> December, 2020 for a period of 3 years i.e., from 08<sup>th</sup> January, 2021 to 07<sup>th</sup> January, 2024.

Further, considering the contribution of Mr. Rupesh Kumar Gupta and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 10<sup>th</sup> August, 2022 approved the revision in the remuneration of Mr. Rupesh Kumar Gupta for his remaining term as Managing Director effective from 01<sup>st</sup> October, 2022 other terms and conditions remaining the same.



Pursuant to Section 197 read with Schedule V of the Companies Act 2013, the revised remuneration of Mr. Rupesh Kumar Gupta as decided by the Board is required to be approved by the Members at their meeting.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits specified in Section 197 of the Companies Act, 2013. The members requested to consider the revision in remuneration of Mr. Rupesh Kumar Gupta, Managing Director of the Company.

**Pursuant to clause (iv) of Section II of Schedule V of Companies Act 2013 the following statement is given:**

<b>I. General Information</b>	
1. Nature of Industry	Iron & Steel
2. Date or expected date of commencement of commercial production	Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4. Financial performance based on given indicators	<p>Performance for FY 2021-22</p> <ul style="list-style-type: none"> <li>1. Gross Revenue: ₹ 433 Crore</li> <li>2. Profit after tax: ₹ 31.95 Lacs</li> <li>3. EPS: ₹ 18.83/-</li> </ul>
5. Foreign Investments or collaborations, if any	Not Applicable
<b>II. Information about the appointee</b>	
1. Background details	He has more than two decades of experience in steel Industry.
2. Past Remuneration	The remuneration drawn by Mr. Rupesh Kumar Gupta during the past one year i.e., 2021-22 is ₹ 1,80,00,000/- (One Crore Eighty Lakh Rupees Only) per annum.
3. Recognition or awards	Not Applicable
4. Job Profile and his suitability	He has been part of the Company since incorporation and have lead successfully in growth of the Business.
5. Remuneration proposed	As mentioned in the resolution stated above
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Considering the responsibility shouldered by him of the enhanced business activities of the company, proposed remuneration is commensurate with industry standards and Board level position held in similar sized and similar positioned businesses.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	He is Son on Mrs. Sunita Gupta, Non Executive Director and Elder brother of Mr. Sailesh Gupta, Wholetime Director of the Company.
<b>III Other Information</b>	
1. Reasons of loss or inadequate profits	At present company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.
2. Steps taken or proposed to be taken for improvement	The company is always looking forward to take all such steps and measures including expansion which are in the best interest of the company.
3. Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it.

Mr. Rupesh Kumar Gupta and his relatives may be deemed to be interested in the resolution proposing the revision in remuneration set out at Item No. 7 in the Notice.

Except the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 7 in the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

**Item No 8:**

Mr. Sailesh Gupta was re-appointed as the Wholetime Director of the Company by the shareholders at their meeting held on 30<sup>th</sup> December, 2020 for a period of 3 years i.e., from 08<sup>th</sup> January, 2021 to 07<sup>th</sup> January, 2024.

Further, considering the contribution of Mr. Sailesh Gupta and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 10<sup>th</sup> August, 2022 approved the revision in the remuneration of Mr. Sailesh Gupta for the remaining period effective from 01<sup>st</sup> October, 2022 other terms and conditions remaining the same.

Pursuant to Section 197 read with Schedule V of the Companies Act 2013, the revised remuneration of Mr. Sailesh Gupta as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits specified in Section 197 of the Companies Act, 2013. The members requested to consider the revision in remuneration of Mr. Sailesh Gupta, Wholetime Director of the Company.

**Pursuant to clause (iv) of Section II of Schedule V of Companies Act 2013 the following statement is given:**

<b>I. General Information</b>	
1. Nature of Industry	Iron & Steel
2. Date or expected date of commencement of commercial production	Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4. Financial performance based on given indicators	Performance for FY 2021-22 1. Gross Revenue: ₹ 433 Crore 2. Profit after tax: ₹ 31.95 Lakhs 3. EPS: ₹ 18.83/-
5. Foreign Investments or collaborations, if any	Not Applicable
<b>II. Information about the appointee</b>	
1. Background details	He has more than a decade of experience in Marketing.
2. Past Remuneration	The remuneration drawn by Mr. Sailesh Gupta during the past one year i.e., 2021-22 is ₹ 1,44,00,000/- (One Crore Forty-four Lakh Rupees Only) per annum.
3. Recognition or awards	Not Applicable
4. Job Profile and his suitability	He has been part of the Company over a decade and have lead successfully in growth of the Business.
5. Remuneration proposed	As mentioned in the resolution stated above
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Considering the responsibility shouldered by him of the enhanced business activities of the company, proposed remuneration is commensurate with industry standards and Board level position held in similar sized and similar positioned businesses.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	He is Son on Mrs. Sunita Gupta, Non Executive Director and younger brother of Mr. Rupesh Kumar Gupta, Managing Director of the Company.
<b>III. Other Information</b>	
1. Reasons of loss or inadequate profits	At present company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.
2. Steps taken or proposed to be taken for improvement	The company is always looking forward to take all such steps and measures including expansion which are in the best interest of the company.
3. Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it.

Mr. Sailesh Gupta and his relatives may be deemed to be interested in the resolution proposing the revision in remuneration set out at Item No. 8 in the Notice.

Except the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 8 in the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

**Item no 9**

Considering the present expansion which the Company is into and the additional work relating to such expansion, it is proposed to increase the remuneration of Mr. Rakesh Kumar Gupta, Technology Advisor of the Company.

As the provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders. Section 188(1)(f) of the Companies Act, 2013 provides that if appointment of a person to any office



or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1), then it has to be approved by the Shareholders at their meeting. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and Audit Committee, at their meeting held on 10<sup>th</sup> August, 2022 had approved to pay Mr. Rakesh Kumar Gupta ₹ 4,00,000/- per month (Rupees Four Lakh Only) as salary inclusive of any remuneration directly or otherwise or by way of Salary or allowances, performance based rewards/ Incentives, subject to approval of the Shareholders by way of Resolution.

Mr. Rakesh Kumar Gupta, Technology Advisor is Father of Mr. Rupesh Kumar Gupta (Managing Director and Promoter of the Company), Mr. Sailesh Gupta (Wholetime Director and Promoter of the Company) and Spouse of Mrs. Sunita Gupta (Non Executive Director) and was appointed as officer and holding a place of profit under Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013.

Except Mr. Rupesh Kumar Gupta, Mr. Sailesh Gupta, Mrs. Sunita Gupta along with their relatives, none of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

By order of the Board  
For **Hariom Pipe Industries Limited**

Sd/-  
**Rupesh Kumar Gupta**  
Managing Director  
DIN: 00540787

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2022

## Annexure to item no 2, 3 & 4

### **Details of Directors Retiring by rotation/ seeking appointment/re- appointment at the 15th Annual General Meeting of members of the Company:**

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

Name of the Director	Mrs. Sunita Gupta	Mr. Soumen Bose	Mr. Pramod Kumar Kapoor
Date of Birth	31-12-1956	10-09-1967	25-11-1951
Qualifications	Undergraduate	Bachelor of Technology (Chemical)	Bachelor's degree in Textile Technology
Nationality	Indian	Indian	Indian
Experience	Director of the Company since 01 <sup>st</sup> October, 2014. She has more than a decade of experience in Manufacturing and trading in ERW pipes.	Mr. Soumen Bose has got more than 30 years of experience in steel industry. He currently serves as the group CEO of Singh Group of Companies, Thailand which has interests in mining of minerals and metals in various parts of the world. He was associated with Tata Group of companies for a period of 16years. Please refer Company's Website: <a href="https://www.hariompipes.com/pdf/outcome-of-board-meeting/outcome-of-bm-dated-10-06-2022.pdf">https://www.hariompipes.com/pdf/outcome-of-board-meeting/outcome-of-bm-dated-10-06-2022.pdf</a> for detailed profile	Mr. Pramod Kumar Kapoor aged about 72 years is the Chairman and Independent Director of our Company since 08 <sup>th</sup> January, 2018. He holds a Bachelor's degree in Textile Technology from Birendra Narayan Chakrabarty University, Kurukshetra. He has more than 40 years of experience in textile industry. Previously, he has worked as President – Marketing (Textiles Domestic Sales) in Visaka Industries Limited. Presently, he is into business of plastic manufacturing.
Terms and conditions of appointment or reappointment	Non-executive Director of the Company, liable to retire by rotation.	Independent Director, not liable to retire by rotation.	Independent Director, not liable to retire by rotation.
Last drawn remuneration	Nil	Nil	Nil
Remuneration proposed to be paid	She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.	He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.	He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.
Date of first appointment on the Board	Appointed as Director on 01 <sup>st</sup> October, 2014. Changed designation as Non Executive Director w.e.f 01 <sup>st</sup> October, 2017	Appointed as an Additional Director (Independent) at the Board Meeting held on 10 <sup>th</sup> June, 2022.	Appointed as an Independent Director at the General Meeting held on 08 <sup>th</sup> January, 2018.
No. of share held as on the date of Notice	10,75,720 (Ten Lakhs Seventy Five Thousand Seven Hundred and Twenty) Equity Shares of ₹ 10/- (Rupees Ten Only) each.	Nil	Nil
Relationship with Directors, Managers & KMP	Mother of Rupesh Kumar Gupta, Managing Director and Sailesh Gupta, Whole time Director of the Company.	Not related to any Director or KMP of the Company.	Not related to any Director or KMP of the Company.
Number of Board Meetings attended during FY 2021-2022	13/13	NA	13/13
Directorships of other Boards	Ansh Commerce Private Limited	Nil	Nil
Chairman/ Member of the Committees of Boards of other companies.	Nil	Nil	Nil



## HARIOM PIPE INDUSTRIES LIMITED

CIN: L27100TG2007PLC054564

**Registered Office:** Samarpam, 3-4-174/12/2, 1<sup>st</sup> Floor,  
Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad-500048, Telangana.  
Website: [www.hariompipes.com](http://www.hariompipes.com). Email: [cs@hariompipes.com](mailto:cs@hariompipes.com)

### Attendance slip for Annual General Meeting

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Hariom Pipe Industries Limited.

I hereby record my presence at the Annual General Meeting of the shareholders of M/s Hariom Pipe Industries Limited held on 09<sup>th</sup> day of September, 2022 at 10.30 A.M. at Hotel Inner Circle situated at Namita Road, Saboo Heights, 6-3-905, Raj Bhavan Rd, Matha Nagar, Somajiguda, Hyderabad, 500082, Telangana.

Reg. Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

\*Applicable if the shares held in electronic form

Name & Address of Member  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Shareholder/ Proxy/ Representative  
(Please Specify)







## HARIOM PIPE INDUSTRIES LIMITED

CIN: L27100TG2007PLC054564

**Registered Office:** Samarpalan, 3-4-174/12/2, 1<sup>st</sup> Floor,  
Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad-500048, Telangana.  
Website: [www.hariompipes.com](http://www.hariompipes.com) Email: [cs@hariompipes.com](mailto:cs@hariompipes.com)

### Form No. MGT-11

#### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the company	L27100TG2007PLC054564
Registered office	HARIOM PIPE INDUSTRIES LIMITED
	Samarpalan, 3-4-174/12/2, 1 <sup>st</sup> Floor, Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad-500048, Telangana
Name of the member(s)	
Registered Address	
Email Id	
Folio No / Client ID	

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. \_\_\_\_\_ him
2. \_\_\_\_\_ him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 09<sup>th</sup> day of September, 2022 at 10.30 A.M. at Hotel Inner Circle situated at Namita Road, Saboo Heights, 6-3-905, Raj Bhavan Rd, Matha Nagar, Somajiguda, Hyderabad, 500082, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31 <sup>st</sup> March, 2022 along with the Report of the Directors and the Auditors.		
2.	To appoint Mrs. Sunita Gupta, who retires by rotation as a Director.		
3.	To Appoint Mr. Soumen Bose (DIN: 09608922) as an Independent Director of the Company.		
4.	To Appoint Mr. Pramod Kumar Kapoor (DIN: 03557358) as an Independent Director of the Company.		
5.	To ratify the remuneration of Cost Auditors for the financial year ending 31 <sup>st</sup> March, 2023.		
6.	To approve Material Related Party Transaction(s).		
7.	Approval for increase in remuneration of Mr. Rupesh Kumar Gupta, Managing Director of the Company.		
8.	Approval for increase in remuneration of Mr. Sailesh Gupta, Wholename Director of the Company.		
9.	Approval for increase in remuneration of Mr. Rakesh Kumar Gupta, Technology Advisor of the Company.		

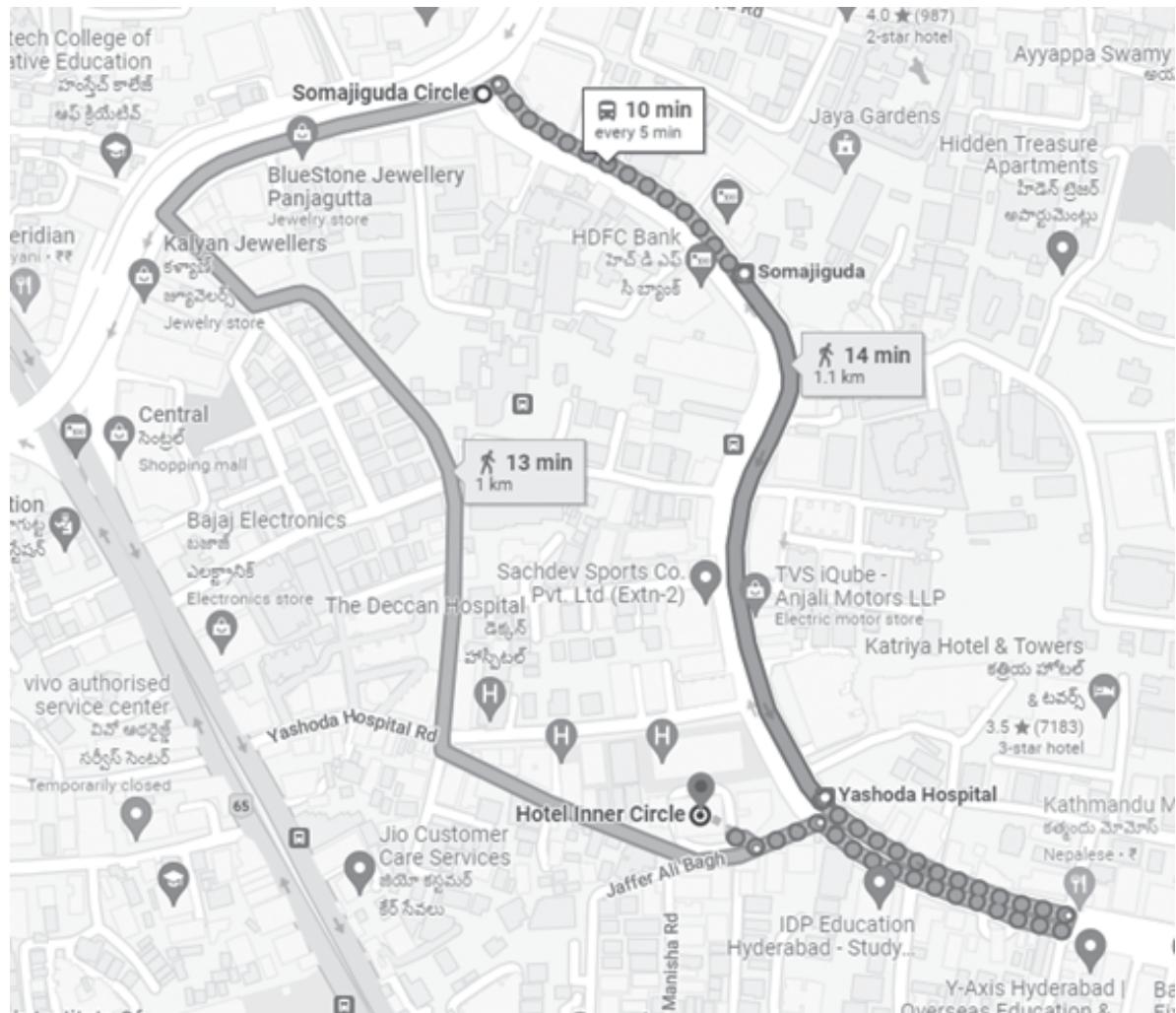
Signed this ..... day of ..... 2022.

Signature of shareholder: \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## Route Map of Venue of AGM







### HARIOM PIPE INDUSTRIES LIMITED

Samarpan, 3-4-174/12/2  
1st Floor, Lane beside Spencer's,  
Pillar No.125, Attapur, Hyderabad,  
Telangana - 500 048, INDIA

**PHONE:** +91 040-24016101

**WEBSITE:** [www.hariompipes.com](http://www.hariompipes.com)

**INFO:** [info@hariompipes.com](mailto:info@hariompipes.com)