

# Hi-TECH

PIPES LTD.

*Pipes for Life*

**Annual  
Report**  
2019-20



**Providing Innovative Solutions**  
with  
**Quality & Reliability**





# Hi-TECH

PIPES LTD.

*Pipes for Life*

# ANNUAL REPORT 2019-20

#### **Forward-looking statements/Cautionary statement**

In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Ajay Kumar Bansal**

Chairman & Managing Director

**Mr. Anish Bansal**

Whole-Time Director

**Mr. Vivek Goyal**

Non-Executive Independent Director

**Mr. P.K. Saxena**

Non-Executive Independent Director

**Ms. Tanvi Kumar**

Non-Executive Independent Director

**Mrs. Neerja Kumar**

Non-Executive Independent Director

## CHIEF FINANCIAL OFFICER

**Mr. Arvind Bansal, FCA**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Arun Kumar**

## STATUTORY AUDITOR

M/s A. N. Garg & Co.  
Chartered Accountants

## BANKERS

State Bank of India  
Canara Bank  
HDFC Bank  
IDFC First Bank  
SVC Co-operative Bank

## REGISTERED OFFICE

505, Pearls Omaxe Tower,  
Netaji Subhash Place, Pitampura,  
New Delhi-110034  
Tel. No. +91 11 48440050  
Fax No. +91 11 48440055  
Website: www.hitechpipes.in  
CIN:L27202DL1985PLC019750

## WORKS

### HI-TECH PIPES LTD.

**Sikandrabad (UP)**

→ Plot No. 10, UPSIDC  
Sikandrabad, Bulandshahar  
Uttar Pradesh-203 205

→ Plot No. 16, UPSIDC  
Sikandrabad, Bulandshahar  
Uttar Pradesh-203 205

### Ahmedabad (Gujarat)

Plot No. E-6, GIDC  
BOL-II, Sanand, Ahmedabad  
Gujarat-382 170

### HTL METAL PVT. LTD.

**Hindupur (AP)**

41-B, Gollapuram  
Hindupur  
Andhra Pradesh-515 211

## REGISTRAR & SHARE TRANSFER AGENTS

Big Share Services Pvt. Ltd.  
302, Kaushal Bazar, 32-33, Nehru Place,  
New Delhi - 110019  
Ph: +91-11-42425004  
Fax: +91-11-47565852  
E-mail: bssdelhi@bigshareonline.com



# PROVIDING INNOVATIVE SOLUTIONS

## With Quality & Reliability

CORPORATE OVERVIEW

MANAGEMENT REPORT CONSOLIDATED FINANCIAL STATEMENTS STANDALONE FINANCIAL STATEMENTS

To make a business sustainable, a company should not only focus on what a customer wants but understand what a customer needs.

A successful company needs to constantly reinvent itself with the changing market realities and create a holistic solution.

At Hi-Tech Pipes, the Company with its deep market insights is creating a bouquet of products and solutions which cater to the diverse needs of various consumers.



At Hi-Tech Pipes, we are creating a business model that is value-added and helps in maximizing the value of our stakeholders.

At Hi-Tech we are offering innovative solutions with unmatched quality and reliability, providing our customers with complete peace of mind.



# PROVIDING INNOVATIVE SOLUTIONS WITH THE POWER OF FIVE

CORPORATE OVERVIEW

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# 1

## Power of Leadership:

Leadership is pivotal to our culture, capability, and performance. Ethical leadership based on the right values and behaviors can help us succeed over the longer term.



# 2

## Power of Trust:

Trust helps you build a strong relationship with the stakeholders, instill confidence amongst the investors and customers. It helps take the business forward.



# 3

## Power of Technology:

The Use of cutting-edge technology leads to product differentiation and acts as a clear source of competitive advantage.



# 4

## Power of Brand:

Strong brand name helps set us apart from the competition and stands out in the minds of our customers. It also allows us to create customized solutions to meet the changing needs of our clients.



# 5

## Power of Innovation:

Innovation helps to provide customers with access to opportunities that make a real difference in their lives. It helps build a competitive advantage while enhancing future prospects.





## NUMBERS THAT POWER OUR COMPANY

**390+**  
Dealers and  
distributors

**150+**  
OEM customers

**5.0**  
Lakh mtpa  
Installed  
capacity

**590+**  
SKU

**90+**  
Contractor  
Customers

**35+**  
Years of rich  
experience



## WHO WE ARE?

**Hi-Tech Pipes – an innovative piping solutions company**

### About the Company

Starting its operations three decades ago, Hi-Tech Pipes has emerged as one of the prominent players in the Indian pipe industry. Hi-Tech is respected in the industry as one of the most innovative, technologically superior piping solutions providing companies.

Promoted by one of the most respected leaders, Mr. Ajay Kumar Bansal, Chairman, and Managing Director and supported by a team of professionals with strong industry experience. Over the years, Hi-Tech Pipes has carved out its own market in India's highly fragmented pipe industry.

### Line of business

The Company started as an ERW pipe manufacturer in 1988. In the past three decades, the Company has emerged as a holistic piping solution company with more than 590 SKUs. The Company has an installed annual capacity of 5 lac metric tonnes and positioned among the top 5 pipe manufacturing companies in the country.

The Company is engaged in the manufacture of a wide range of steel tubes, finding application in a wide range of industries including infrastructure telecom, defence, power distribution, railways, Airport Real Estate, Automobile, and Agriculture among others.



## Mission

- We aspire to achieve business excellence through Optimum utilization of resources
- Providing product of quality and by enriching the lives of people associated with us
- Sustainable environment-friendly procedures and practices
- The highest ethics and standard
- The spirit of entrepreneurship and innovation
- Hiring, developing and retaining the best of people
- Maximizing returns to stakeholders

## Vision

To lead the industry from the front with an impeccable commitment to standards, quality, productivity and customer satisfaction.



## Our Presence

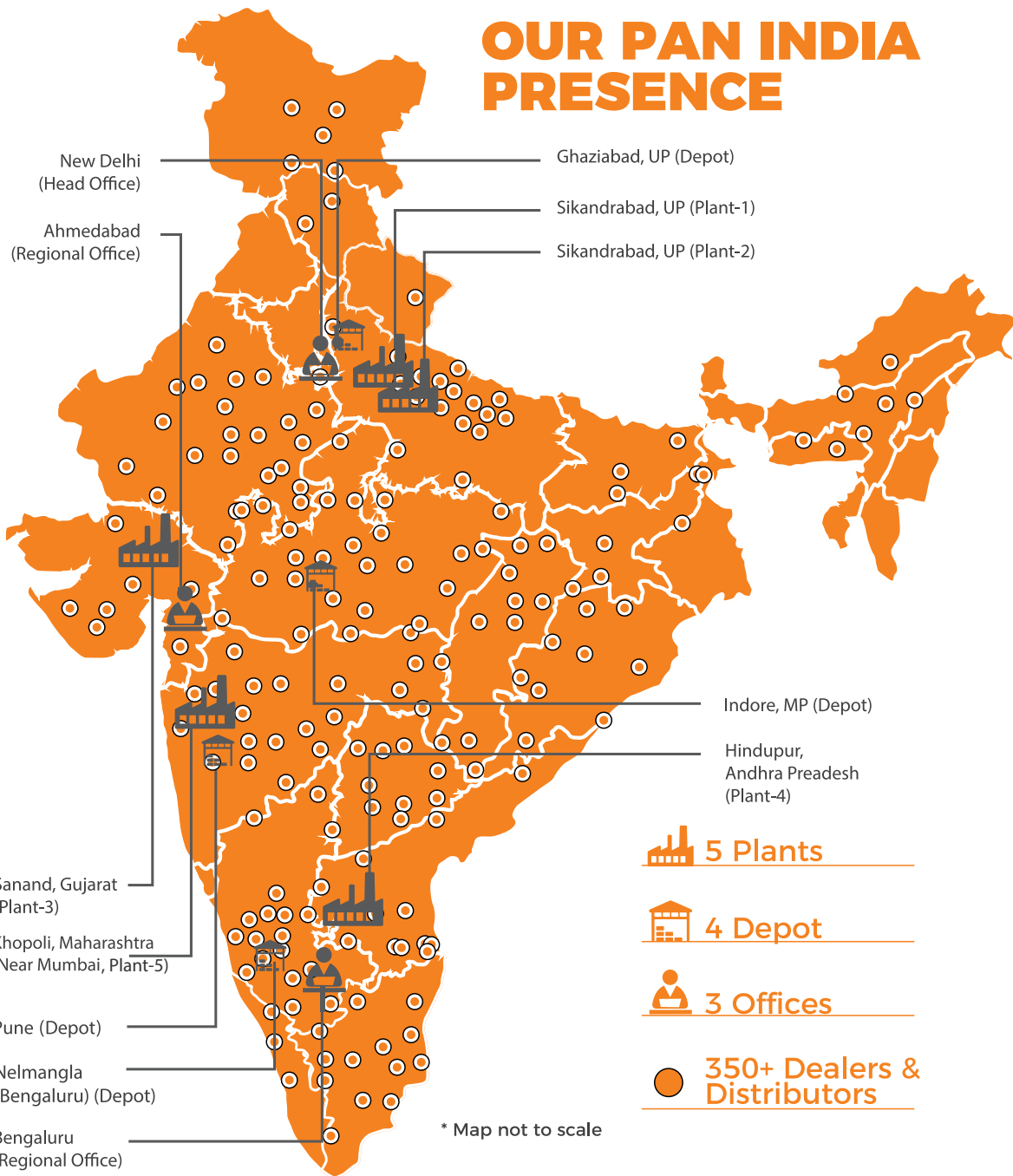
The Company is headquartered in New Delhi, India with four manufacturing units located in Uttar Pradesh, Andhra Pradesh, and Gujarat.

The Company's equity shares are listed on the NSE.

The Company's products are available across 17 states through its wide network of 390 dealers. Besides, the Company has tie-up with more than 150 OEM partners and more than 90 contractors across the country.

The Company's pride-enhancing clientele includes Reliance Industries Limited, TATA, Adani and Airtel, IPH, Shimla, AAI among others.

# OUR PAN INDIA PRESENCE



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**Sikandrabad, Uttar Pradesh (Unit-1 & Unit-2)**  
Installed capacity of 2,55,000 MTPA

# CLIENTELE



**Sanand, Gujarat**  
Installed capacity of 1,25,000 MTPA



**Hindupur, Andhra Pradesh**  
Installed capacity of 1,20,000 MTPA



# PROVIDING INNOVATIVE SOLUTIONS YEAR AFTER YEAR

- ↑ Commenced operations at Hindupur (Andhra Pradesh)
- ↑ Modernized the cold rolling plant at Sikandrabad unit
- ↑ Commissioned ERW pipes at Hindupur unit
- ↑ The third company to migrate to NSE Main Board in May 2018

**2017-18**

- ↑ Started tube 3 mill at Sanand
- ↑ Installed solar plants at Sanand and Hindupur units
- ↑ Received Secondary Steel Sector award from Ministry of Steel
- ↑ Received Top Performer award from SAIL

**2018-19**

- ↑ Received Ispat Rachna Award from Ministry of Steel, Govt. of India
- ↑ Started Colled Rolling expansion project for wider product of HRoP, CRCA, CRFH, GPGC

**2019-20**

# THE JOURN

CORPORATE OVERVIEW

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## Vision **10000000** mtpa production capacity

One of the leading manufacturers and sellers of pipes and solution providers, Hi-Tech Pipes provides innovative, superior quality and sustainable products to its customers.

But there comes a time in the Company's existence, when it must choose to leave the comfort zone and venture stern first into choppy waters. As a Company, we must be, and are, willing to change anything and everything needed to stay ahead of the curve, including our capacity and culture.

In line with this tenant, after nearly three decades in the business of pipe manufacturing, we choose to double our production capacity.

From our current production capacity of 5,00,000 MT, we intend to reach a total production capacity of 10,00,000 MT.

We see important benefits from this change.

Even as the performance of the Company is as per the expectations from a short-term perspective, the long-term prospects of the Company would be reinforced following the successful achievement of the expansion.



**From our  
current  
production  
capacity of  
5,00,000 MT, we  
intend to reach a  
total production  
capacity of  
10,00,000 MT.**



# KEY AHEAD



There is more focus on the most important markets, and modestly faster growth in these markets will create significant value. In order to cater to these markets, we need to have the capacity to serve large order in quick time.

This expansion would make it possible for us to serve large customers or large orders with a wide range of products, thereby creating the prospect of a single-stop solution and providing us with economies-of-scale. Therefore, it's the right business-strengthening decision that will enable us to emerge as a trusted provider of a wide-range of value-added as well customized products

## Chairman's Message

“The core foundation of Hi-Tech Pipes is based on innovative solutions with superior quality and reliability for its customers”



The financial year 2019-20 emerged as one of the challenges in the recent past owing to domestic consumption slowdown on one hand and international trade disruption owing to the US-China trade war on the other. As a result, the country was faced with multi-year low GDP growth. Despite the challenging scenario, we were able to strengthen the volume by 5%. We continued to build a portfolio of value-added products, provide segment-specific products/solutions, strengthening and expanding our distribution network, rolling out retailer loyalty programs on a mass level and ready inventory for specific applications.

### Our business strengthening initiatives also included the followings:

- ↑ Appointment of new distributors in comparatively weak territories.
- ↑ Leveraging technology, we continued to provide innovative and holistic solutions to its customers.
- ↑ Invested in below the line activities to drive higher offtake.
- ↑ Strengthened the contribution of value-added products to emerge as a holistic piping solution company.
- ↑ With a strengthening balance sheet, the Company is on track to achieve its one million tonnes vision.
- ↑ With a robust portfolio catering to diverse sectors, we are building a de-risked business model.
- ↑ Branding campaigns in the newspaper across various states.
- ↑ Retailer engagement programs like foreign tour scheme and gold coin schemes to drive offtake
- ↑ Residential workshop of prime retailers/fabricators.
- ↑ Engagement activities with government officials and poly house fabricators.
- ↑ Ready inventory of fast running items
- ↑ We are creating a culture of 'customer first' through our strong people strength

The core foundation of Hi-Tech is based on innovation and during the year under review we continued to launch products that provide effective solutions to our customers and in turn, helps in galvanizing our leadership further in the pipe industry in India.

During the year, we launched the following products:

- ↑ We launched the “Hi-Tech Jal Shakti” brand to supply the full range of good quality bore well delivery galvanized pipes to farmers
- ↑ We launched the “Hi-Tech Organic” brand to supply a full range of good quality GI pipes in requisite thickness and length to poly house fabricators
- ↑ We launched the “Hi-Tech Case-Well” brand to supply a full range of good quality casing pipes for protection of bore-well delivery GI pipes in requisite thickness to drilling contractors through our wide network of distributors and retailers
- ↑ We are also providing a customized range of products for many other applications for airports, metro stations, roofing sheds, and defense shelters among others.

As we grow ahead in the value-chain we need to create a strong brand.

During the year under review, we focused on building a brand. One of the key changes that we brought in this year was a shift in culture where we have made ‘customer first’ as the key focus where employees across the organization provide solution-oriented services to the customers.

Technology and innovation is in the DNA of the Company and with this vision, the Company has been consistently investing to update technology across its manufacturing units. The Company is investing in process automation across plants helping the Company achieve better productivity and quality.

### Outlook

Growth of the Indian economy had slowed to multi year low in FY20, while many expected that recovery was on the horizon but the outbreak of the Covid-19 pandemic towards the end of FY20 has really hit the economy hard. The pandemic outbreak has not only impacted millions of lives but have also brought all economic activities of the nation to a sudden halt.

will surely be back on its growth track with time. Infrastructure sector was one of the worst hit industry owing to the lockdown. But owing to its wide spread trickle down impact I expect it to soon emerge as one of the focus sectors again which is likely to drive growth for the piping industry over the long run. The government’s various infrastructure projects such as 100 airports in the next 3-5 years, nal se jal which has earmarked Rs 3.24 lakh crore of spending by 2024 besides, the Housing for All program of the government will continue to drive demand for the pipe industry. Besides, the Budget 2020 allocated Rs 1.7 trillion for transport infrastructure is also likely to prove a big catalyst for the growth of the piping industry. Besides, India’s per capita pipe consumption is at an abysmal low of 19 kg compared to a global per capita average of 103 kg, reflecting the robust prospect of the industry.

Keeping these factors in mind, Hi-Tech is positioned attractively to capitalize on the opportunities provided by the Indian infrastructure sector once the economy recovers from the aftermath of the Covid-19 outbreak. Further, the Company is present across 17 Indian states with more than 390 dealers and a product portfolio with over 590 SKUs catering to the needs of diverse consumers from different industries. This has not just widened the business scope of the Company but also de-risked it from dependence on a single customer segment.

Water sector is another area of focus for us in the years ahead. Water is widely expected to emerge as a significant opportunity for us in the near future, especially with the Indian governments large water and sanitation projects. With pipes expected to play big role in the success of these projects, at Hi-Tech Pipes, we expect to collaborate with water management companies, pooling in synergistic competencies.

I am grateful to all the stakeholders for their unstinted support and helping us to transform our business model into reality. We are ready for an exciting future and expect to add value to the entire stakeholder community in the coming years.

**Ajay Kumar Bansal**  
Chairman and Managing Director

# BOARD OF DIRECTORS



## Mr. Ajay Kumar Bansal

### *Chairman & Managing Director*

Mr Ajay Kumar Bansal is an industry stalwart with over 36 years of experience in the steel industry. As the Chairman of FII (Steel Tube Panel) he has successfully represented the industry at various national and international forums. He handles the operations of the Company with a team of experienced professionals through his strategic planning and identification of new growth drivers. Handling the dual responsibilities as a Chairman and Managing Director, he is the guiding force behind the Company. He can be credited for the Company's impressive track record and growth from one manufacturing unit in 1988 to four manufacturing units spread across the country.

## Mr. Anish Bansal

### *Whole-Time Director*

Mr Anish Bansal handles the portfolio of Executive Director of the Company. Having completed his B.Sc. (Economics) in Banking and Finance from the Cardiff University, England, he has over 13 years of experience in business development and administration. His area of expertise includes corporate finance, strategy, marketing, product development, project implementation, international trade and finance along with other corporate matters. He works in close coordination with the management team to handle the Company's expansion plans and financial portfolio.

## Mr. P. K. Saxena

### *Non-Executive Independent Director*

Mr P.K. Saxena, has a master's in physics and finance and is also a Certified Associate of Indian Institute of Bankers (CAIB). He is retired DGM (Punjab National Bank). During his more than three-decade tenure as a banker, he worked across various domains in banking such as Bank Management, Product Enrichment and Distribution to maximize profit. He has significant experience in the field of Operational Control, Credit Management, Business Analysis, Pre/ Post Sanction Follow up, Data Analytics, Foreign Exchange loan syndication, NPA recovery management, monitoring and follow up with SMA Accounts and all other aspects of banking.





**Mr. Vivek Goyal**

*Non-Executive Independent Director*

Mr Vivek Goyal has a Masters degree in Finance and Control, and is a member of the Institute of the Chartered Accountants of India (ICAI). He has also completed various certification courses on the concurrent audit of Banks from ICAI. Mr Goyal has over two decades of experience in handling large and mid-size clients across several industries in the field of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring initiatives. He is a senior partner in M/s Vivek Prem and Associates, a reputed accounting firm in Chandigarh.

**Ms. Tanvi Kumar**

*Non-Executive Independent Director*

Ms. Tanvi Kumar is a Partner in the Corporate and Commercial practice group in a leading Law firm Khaitan & Co. She specializes in mergers and acquisitions, joint ventures, inbound and outbound investment from India across a broad spectrum of sectors including information technology, manufacturing, hospitality and leisure and consumer goods.

**Mrs. Neerja Kumar**

*Non-Executive Independent Director*

Mrs. Neerja Kumar did M.Sc., M.Phil. (Botany). She has retired as General Manager-(MSME) Punjab National Bank. Started her career as Management Trainee with Punjab National Bank, she is having almost four decades of experience in PNB Bank in various discipline. Worked as, Deputy General Manager in Mumbai handling HR, Planning and development, Credit, Inspection and audit.



## HOW OUR INNOVATIVE SOLUTIONS BOOST THE COMPANY'S PERFORMANCE



### Financial highlights

Particulars	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	5Yr.CAGR
Net Sales	Rs. Crore	503	637	1016	1360.4	1209.6	25%
EBIDTA	Rs. Crore	31.9	39.9	60.1	74.80	59.2	17%
PBT	Rs. Crore	10.1	14.9	30.0	41.0	23.9	24%
PAT	Rs. Crore	6.5	10.4	21.0	27.5	20.4	33%
EPS	Rs.	8.3	10.1	20.4	25.80	18.85	23%
Net Worth	Rs. Crore	66.3	76.6	113.6	146.80	173.6	27%
Sale Volume*	(in Lacs M.T.)	1.4	1.6	2.3	2.69	2.83	20%

#### Earnings in Per Metric Ton (PMT)

EBIDTA	Rs. PMT	2,319	2,518	2,661	2,789	2,091	3%
PAT	Rs. PMT	468	653	927	1,023	720	20%

#### Financial Ratios in

EBIDTA	(%)	6.3%	6.3%	5.9%	5.5%	4.9%	
PBT	(%)	2.0%	2.3%	3.0%	3.0%	2.0%	
PAT	(%)	1.3%	1.6%	2.1%	2.0%	1.7%	
ROI/ROCE	(%)	15.2%	15.8%	19.1%	18.7%	12.3%	
ROE	(%)	11.4%	14.5%	22.1%	20.8%	12.7%	
Sales Value Growth	(%)	10%	26%	59%	34%	(11)%	
Sales Volume Growth	(%)	38%	15%	43%	19%	5%	

#### Ratio in Times

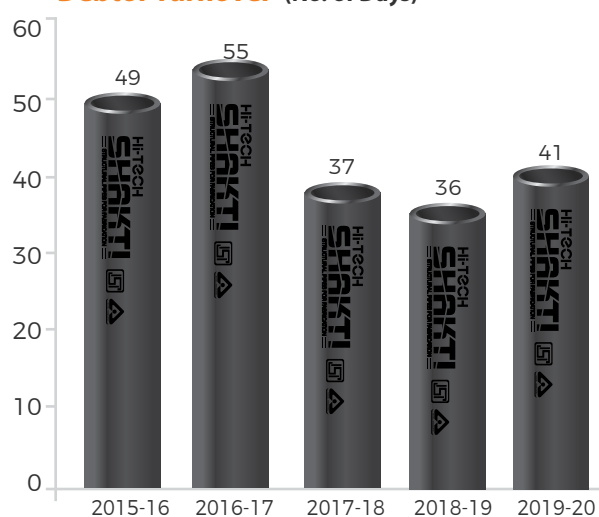
Debt/EBIDTA		4.24	4.23	4.03	3.45	4.75	
TOL/TNW		3.21	3.70	2.97	2.40	2.27	
Debt Equity		2.04	2.21	2.14	1.76	1.70	
Current Ratio		1.27	1.20	1.20	1.20	1.23	

#### Turnover Ratios in Number of Days (NoD's)

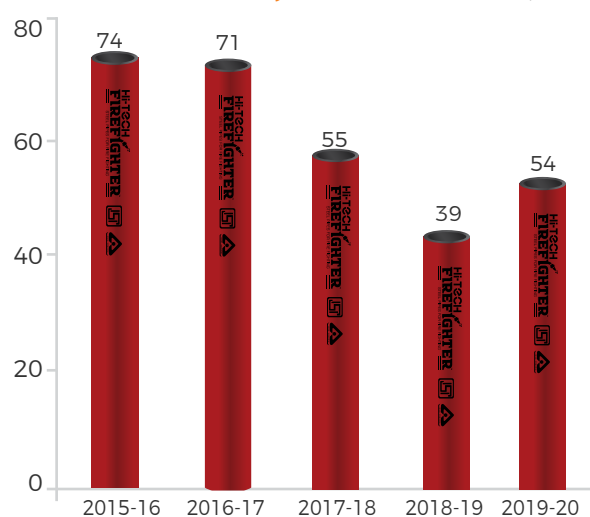
Debtor Turnover	NoD's	49	55	37	36	41	
Inventory Turnover	NoD's	74	71	55	39	54	

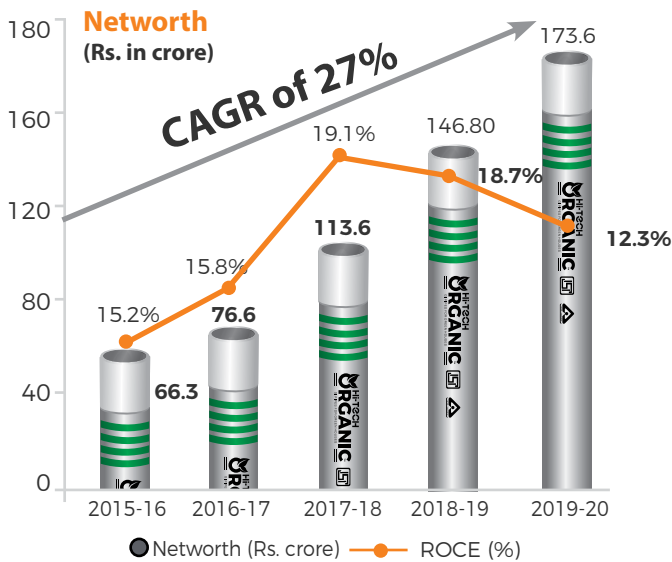
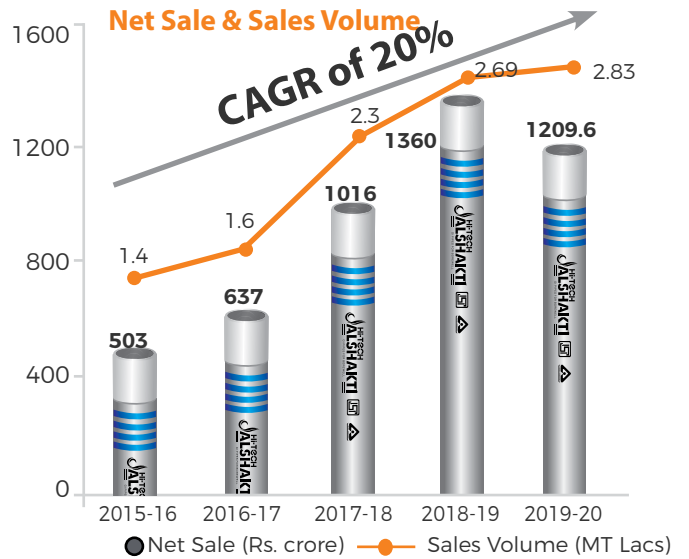
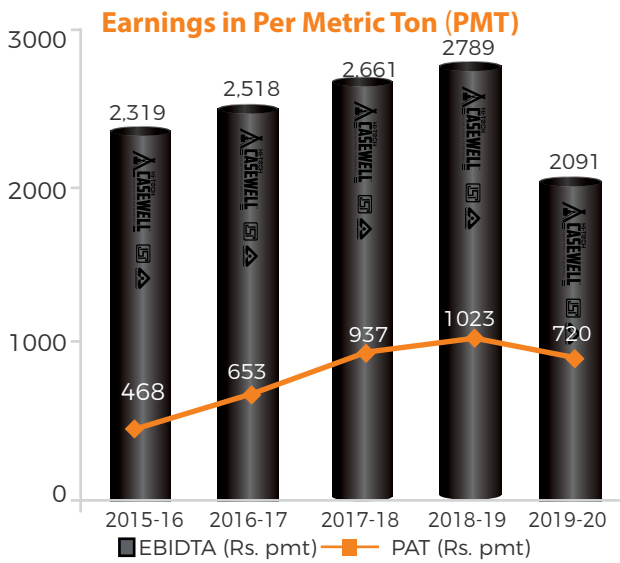
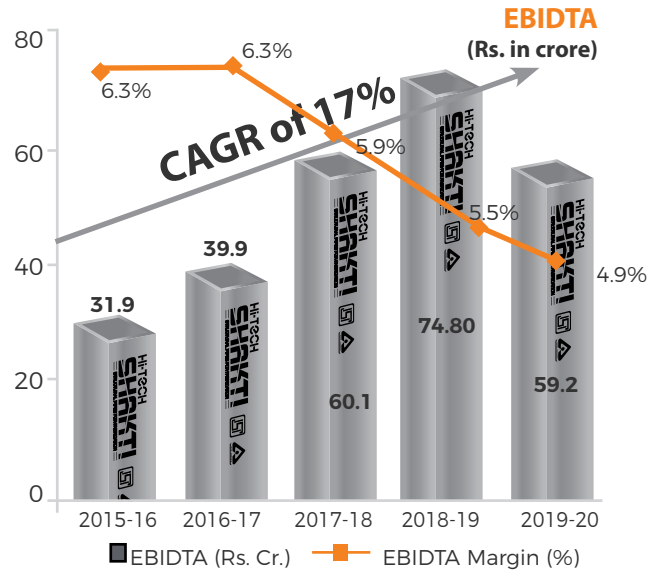
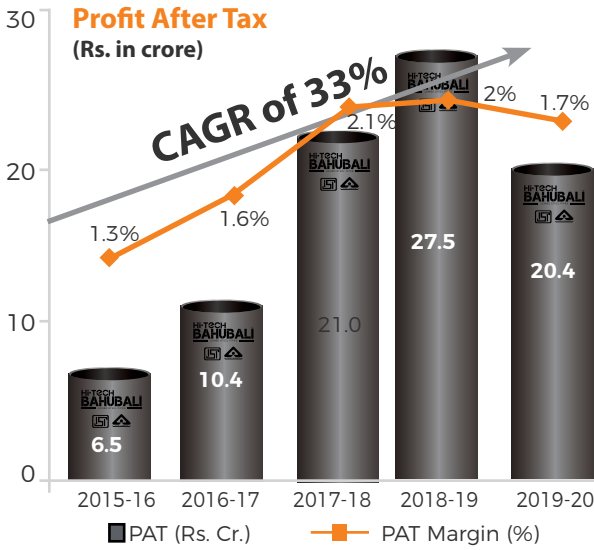
\* excluding trading & scrap quantity

#### Debtor Turnover (No. of Days)



#### Inventory Turnover (No. of Days)





**Our less visible numbers indicate the strength and the robustness of our business model**

# DEVELOPING INNOVATIVE SOLUTIONS THROUGH RESEARCH DRIVEN APPROACH

Technology is transforming how work gets done and creating new opportunities for talent and businesses alike.

At Hi-Tech Pipes, we sustained our investments to leverage technology for the benefit of our customers and different stakeholders. Our current transition to a research-led solution provider is an example of how we are investing in the technology of tomorrow.

Hi-Tech Pipes has been successful in setting itself apart from its competitors through our unrivaled combination of market-leading brands and track record in innovation, our expert knowledge of the pipe industry, longstanding and sustainable relationships with our distributors and partners, and a highly talented and engaged workforce.

## Research led approach

At Hi-Tech Pipes, we have always been a research-led piping solution provider.

When the majority of the players focused on producing low-value fabricated pipes, we invested in technology and research. The Company embarked on manufacturing steel pipes of different varieties catering to not just one industry but many, one of the first to do so in its sector.

But when the number of galvanized steel pipes manufacturers had increased, Hi-Tech Pipes readied for its next growth stage. The Company deepened its research in different varieties of steel pipe manufacturing.







**Hi-Tech Pipes has been successful in setting itself apart from its competitors through our unrivaled combination of market-leading brands and track record in innovation**

It increased its manufacturing capability, diversified into the manufacturing of different varieties of steel pipes in-house, enhanced production efficiency and positioned itself as a solution provider.

.As a result, the Company emerged as the 5th largest manufacturer of steel pipes with a sales presence in more than 5,000 retail stores.



# PROVIDING INNOVATIVE SOLUTIONS...

...BY FOCUSING ON PILLARS OF GROWTH

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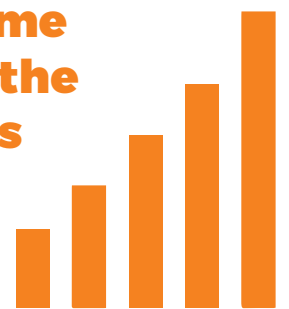
## Customer insight

The starting point of our business is understanding how best we can meet the diverse needs of our customers. We use our rich industry expertise to ensure that we are well placed to understand our customer needs and provide holistic solutions while identifying future growth drivers so we can create shared value for our customers.

We put a great focus on understanding emerging trends and the wider context of the industry that we operate in as well as current consumer needs. This enables us to manufacture products that our customers love and to deliver piping solutions that maximize the growth opportunity for our customers.

**20%**

**Sales volume growth in the last 5 years (CAGR)**



### Sourcing

Steel is the major raw material in our business. Our dedicated team takes a need-basis approach to source raw materials. We organize our sourcing teams based on the experience of key materials and they work closely with suppliers to ensure that we achieve a stable, high-quality and sustainable supply.

Hi-Tech Pipes is committed to produce high-quality piping solutions that are sourced and manufactured in a fair, ethical and environmentally responsible way. We engage with our suppliers to better understand the ethical and environmental impact associated with the materials that we purchase.



**34 years**  
The cumulative experience of Hi-Tech Pipes' sourcing team



### Manufacturing

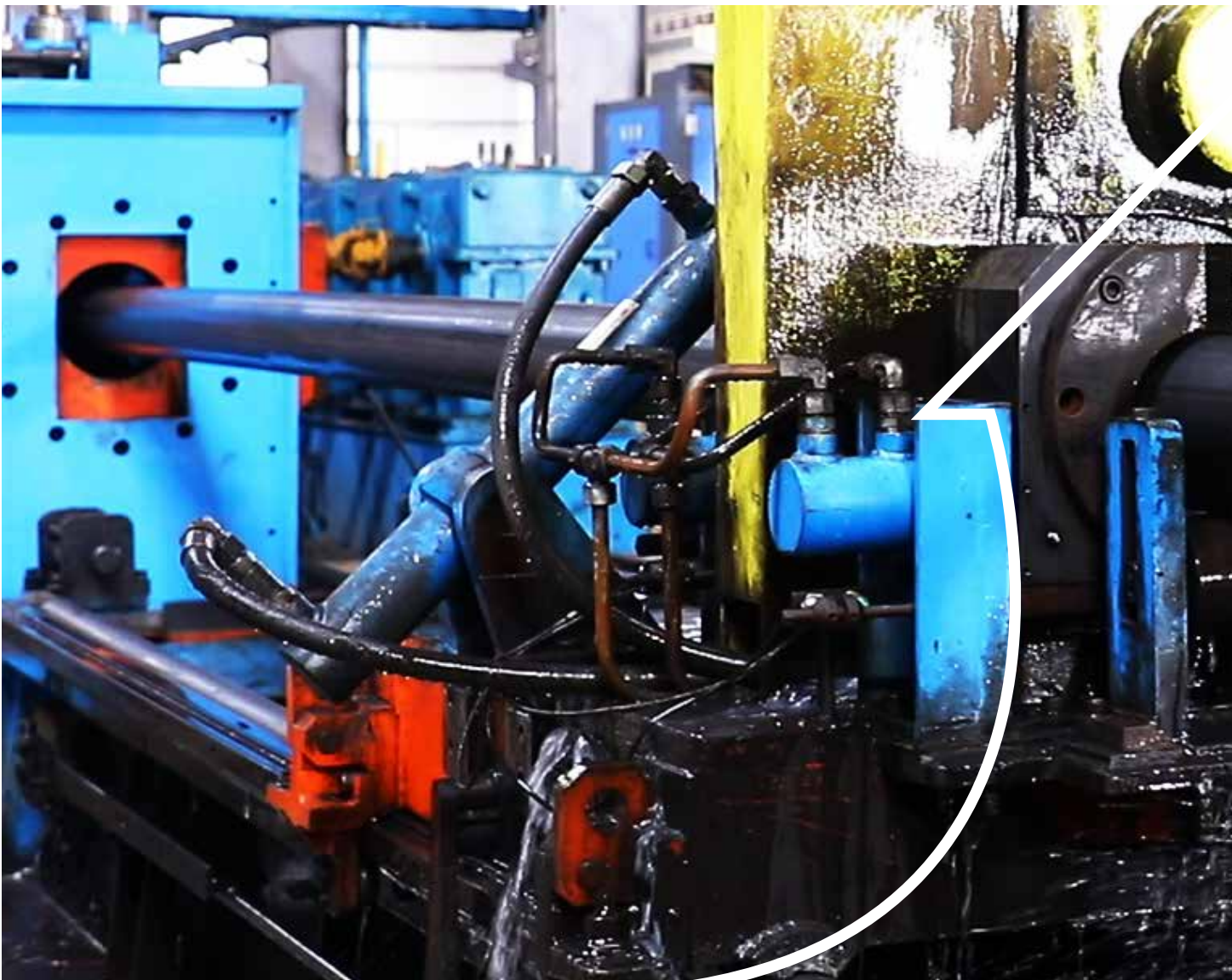
In each of our core markets, we have our own factories where we manufacture most of our brands. We offer a range of piping solutions for the different needs of our customers. We have consistently enhanced our manufacturing capacity to meet the growing needs of our clients.

We operate our factories to the highest standards. We are committed to reducing the environmental impact of our manufacturing activity. We set targets related to water usage, waste and carbon emissions annually. We are also committed to ensuring that our employees work in a safe environment that supports their health and wellbeing and we monitor this closely across all our manufacturing units.

### Marketing and branding

We invest in world-class marketing and brand building initiatives to build fantastic brands that our consumers love. As with many other manufacturing companies, we market our brands across multiple platforms, from print through to digital and social media.

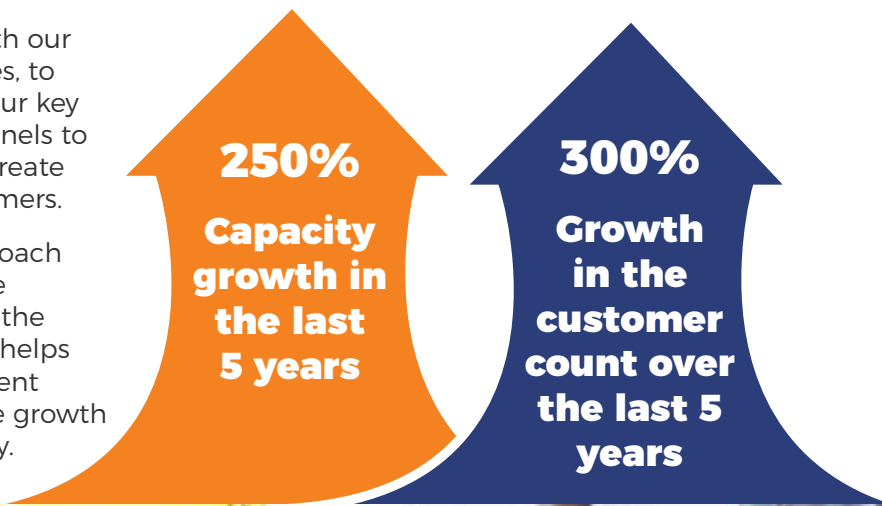
All our marketing and branding initiatives are devised based on the usage, application, and target customer of the product. Another key area of focus is to show how Hi-Tech Pipes has made a seamless transformation from being a product-specific company to a solutions provider. Thereby making it possible to make a positive impact on the lives of thousands we have touched and how Hi-Tech Pipes brought back the true meaning of life to the lives of many.



**Customers**

Through our deep knowledge of the industry, we use our insight, sourcing, and manufacturing capability to provide piping solutions. We couple this with our different marketing initiatives, to popularise our products in our key market, using different channels to drive category growth and create shared value with our customers.

We take a category led approach and use our insight to create products that not just meet the needs of our customers but helps us create value for our different stakeholders and sustain the growth momentum of the Company.



## Providing innovative solutions with...



Agriculture is extremely critical to our economy, but the industry is overly dependent on water for its success. We need to understand the problems of the farmers which is mostly due to the shortage of water. Keeping this in mind Hi-Tech Pipes came up with Hi-Tech Jalshakti GI Pipes ensuring that the pipes carrying them have the proper capacity and do not contaminate the water. These pipes have high capacities for carrying water while preventing the water from being contaminated by internal corrosion.



### Product USP

Raw material : Prime HR Coil	Usage of Special High Grade (SHG) Zinc
Zinc coating of 400 gm/m <sup>2</sup> increases the lifespan of the pipe	Long threading for strengthening the socket joints
Pipe weight as per IS:1239	Enhanced pipe strength to hold the weight of depth of the borewell submersible

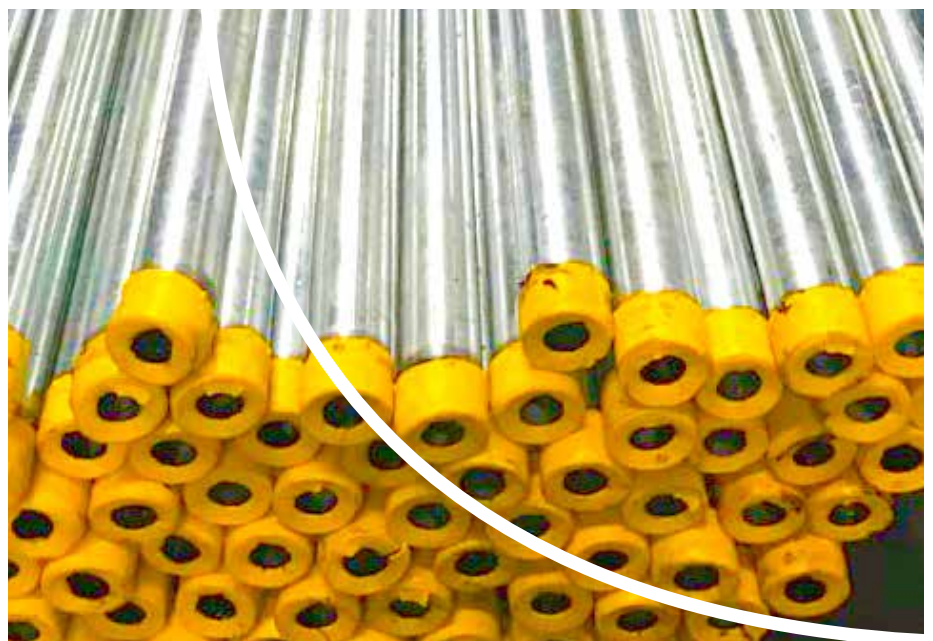
### Industries application catered

Agriculture	Water management
-------------	------------------

### Advantages

Readily available inventory of different shapes and sizes	Competitive pricing
Prompt after sales service	PAN India delivery
ISI marked product, the trust factor	





**Providing innovative solutions with...**



Known for its lightweight and sturdy quality, Hi-Tech's Organic GI pipes owing to its galvanisation are more productive and are usually preferred over pipes made from PVC, plastics or ABC for different greenhouse projects.

**Product USP**

Raw material : Prime HR Coil	Usage of Special High Grade (SHG) Zinc
Zinc coating of 400 gm/m2 increases the life span of the pipe	Easy and smooth bendings
Smooth and easy edge pressing without loss of material	Consistent and uniform weight

**Industries application catered**

Poly Houses	Agriculture
-------------	-------------





## Advantages

Customizable pipe length

Readily available inventory of different shapes and sizes

Competitive pricing

Effective packaging of pipes for easy unloading

PAN India delivery thanks to the deep-rooted distribution network



## Providing innovative solutions with...



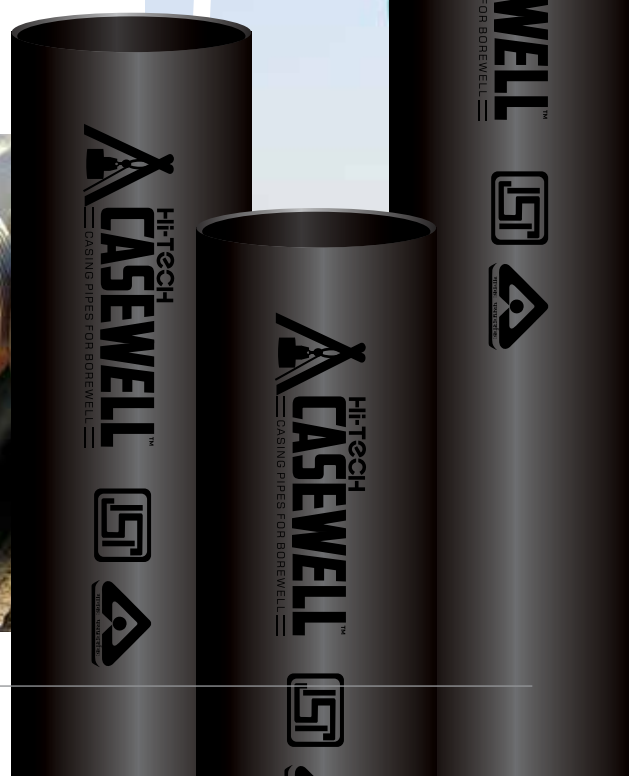
A big time favourite amongst the borewell industries, Hi-Tech Casewell Pipes are casing pipes known for their durability and quality. Catering majorly to the B2B customers of the borewell industry, Hi-Tech Casewell pipes have corrosion-resistant varnishing which make them last more than decades and thereby ensuring saving for our customers.

### Product USP

Raw material : Prime HR Coil	Good quality and corrosion-resistant varnishing
Product life, more than 20 years	Perfect ovality thickness

### Industries application catered

Bore Well	Water
-----------	-------





## Advantages

Easy handling  
transportation and  
installation

Chemical resistant

High strength and  
durability

Leak-proof jointing

Suitable upto 1000 ft  
depth

No Corrosion



Providing innovative solutions with...

# Hi-TECH BAHUBALI™

JUMBO STEEL PIPES

Deriving its name from its core strength and large size, Hi-Tech Bahubali are large sized MS pipes used for building heavy structures. Therefore, when it comes to projects that are larger in nature, our Bahubali pipes are preferred over other Gi Pipes. Whether the project involves constructing a huge building, manufacturing unit or irrigation systems, our Bahubali pipes are the most preferred ones.

## Product USP

Raw material : Prime HR Coil	Good quality and corrosion-resistant varnishing
Product life, more than 50 years	Pipe weight and thickness uniform and consistent

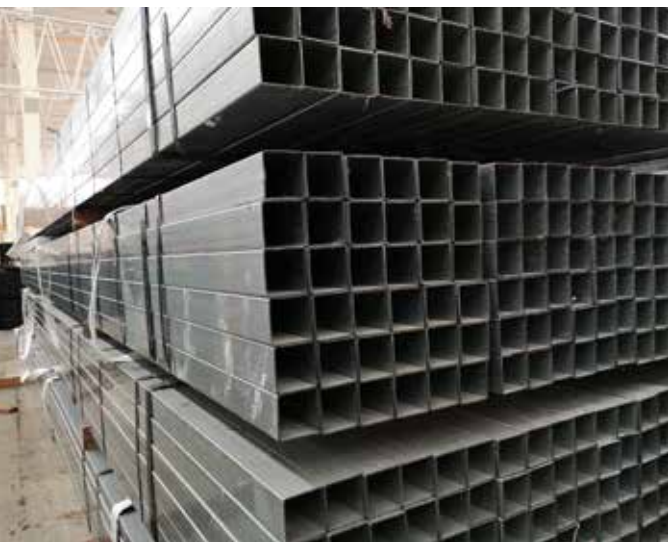
## Industries application catered

Airport, Metro Station	Infrastructure
------------------------	----------------

## Advantages

Product is subjected to stringent stress test under critical field conditions	Chemical resistant
Corrosion-resistant	Dent free pipes
Product approved in many prestigeous project	Customised size range





Providing innovative solutions with...

# Hi-TECH PRE-GAL™

GP STEEL PIPES

Designed and manufactured with precision and care, Hi-Tech Pre Gal pipes help meet the long standing niche need of the Indian coastal. Manufactured using proprietary technology these pipes are specifically manufactured to sustain the stress of sea water.

## Product USP

Raw material : Prime GP Coil	Product life, more than 25 years
Pipe weight and thickness uniform and consistent	

## Industries application catered

Railing and fencing	Road sign
Cladding	Furniture & containers
Roof Top Sheds	

## Advantages

Product is subjected to stringent stress test under critical field conditions	Chemical resistant
Corrosion-resistant	Dent free pipes





## Providing innovative solutions with...



Every year, fire safety has become a more important issue to companies across different industries. Designed critically to cater the needs of fire fighting, Hi-Tech Firefighter pipes are known for its distinguishing red quality, galvanised quality and durability.

### Product USP

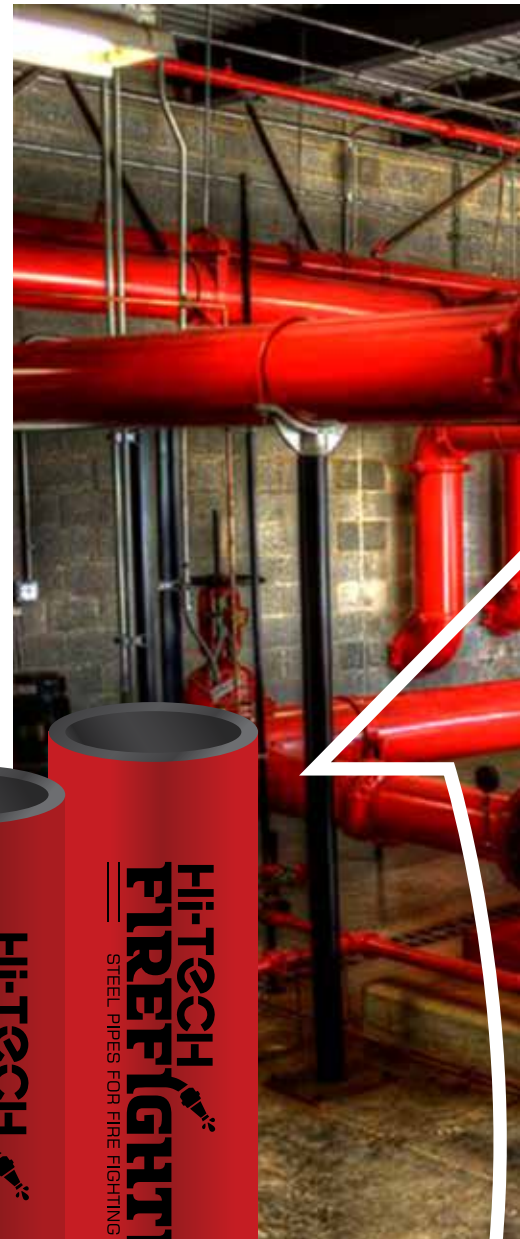
Raw material : Prime HR Coil	Good quality and corrosion-resistant varnishing
Product life, more than 20 years	Pipe weight and thickness uniform and consistent

### Industries application catered

Commerical building	Housing projects
---------------------	------------------

### Advantages

Product is subjected to stringent stress test under critical field conditions	Chemical resistant
Safe for groundwater transport	Dent free pipes
Corrosion-resistant	Leak Proof joints & High strength and durability
Safe for high pressure water transportation	







Providing innovative solutions with...

**HI-TECH**  
**SHAKTI**<sup>TM</sup>  
STRUCTURAL PIPES FOR FABRICATION

Hi-Tech Shakti pipes made from precision technologies that make them sophisticated and efficient. Extensively used in the construction industries, Hi-Tech Shakti pipes are known for their quality, light weight, strength, ease of installation, and anti-corrosive qualities.

**Product USP**

Raw material : Prime HR Coil	Good quality and corrosion-resistant varnishing
Product life, more than 20 years	Pipe weight and thickness uniform and consistent

**Industries application catered**

Poles and railings	Scaffolding
Casing columns	Telecom tower

**Advantages**

Product is subjected to stringent stress test under critical field conditions	Chemical resistant
Corrosion-resistant	Dent free pipes





**Providing innovative solutions with...**



Made from the highest quality steel, Hi-Tech Flatmax cold rolled strips and sheets are of superior quality and conforming to highest industry standards. With a production capacity of 1,20,000 MT/year, Hi-Tech Flatmax cold rolled sheets are available in various specifications to match the varying needs of a wide range of customers across different industries.

**Industries application catered**

<b>Automobile</b>	<b>Furniture office automation, Electric Lamination</b>
<b>Precision tubes and pipes</b>	<b>White good</b> - Tins, Constainers & Barrels - Control Panel Board

**Advantages**

- Precise and accurate dimensional tolerances
- Improve mechanical & physical properties
- Robust surface finish
- improve draw ability





# Hi-TECH<sup>TM</sup> CRASHGUARD<sup>TM</sup>

METAL BEAM CRASH BARRIER

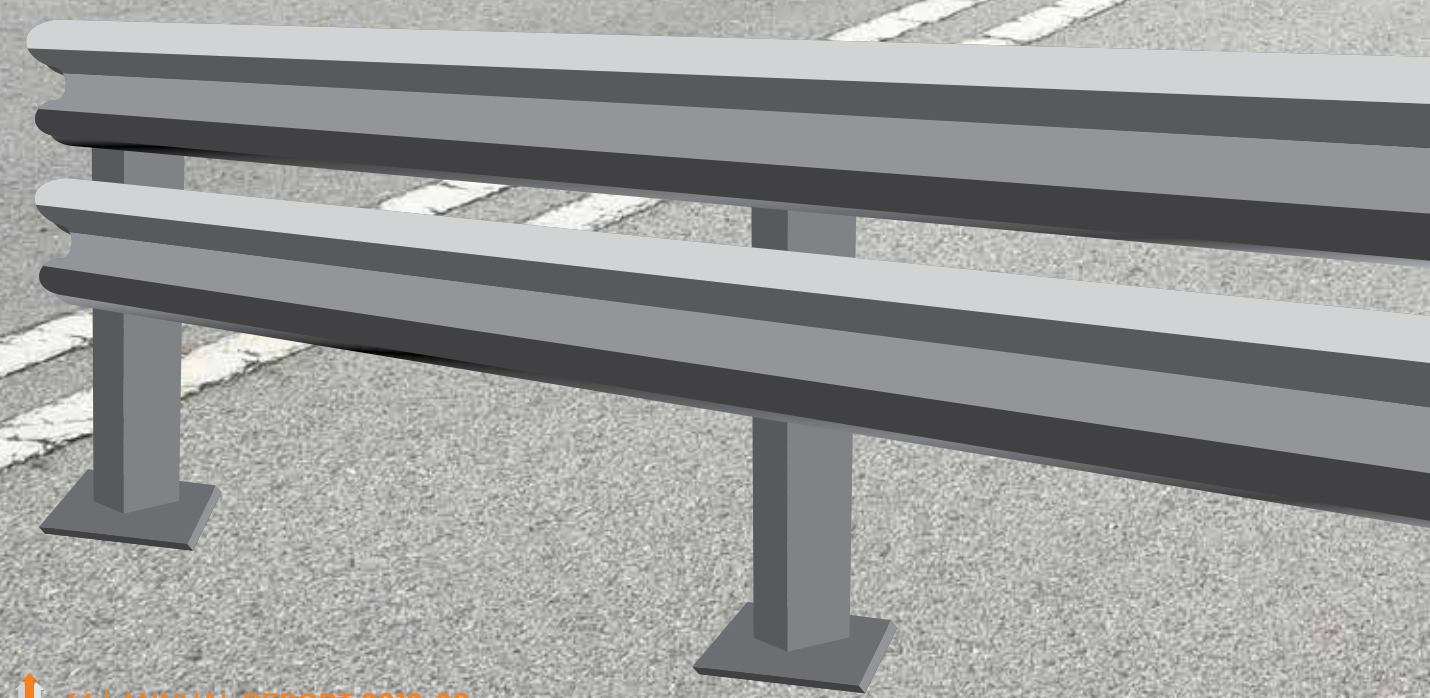
Known for its low initial material costs, easy installation, uncomplicated repairs, low maintenance, and durability, Hi-Tech Crashguard metal beam barriers help to keep the Indian road safe for the travellers across India. Hi-Tech Crashguard provides highly-visible protection in all weather conditions helping to increase confidence of the driver community. The guardrail system absorbs the impact of out-of-control vehicles while guiding the vehicle to safer stops. Proven results and consistent material quality make steel Hi-Tech Crashguard the preferred brand.

CORPORATE OVERVIEW

MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS





## Product USP

Critically designed and engineered metal crash guard

Restraining barriers on embankments of highways expressway

## Industries catered

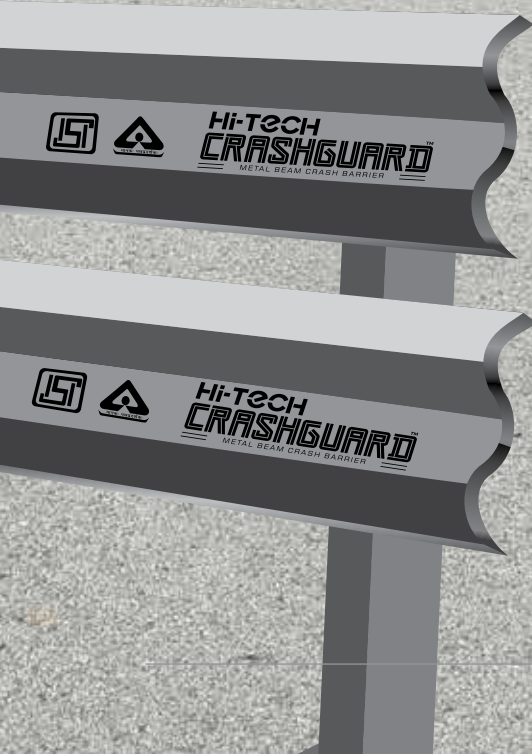
Infrastructure

Roads and railways

## Advantages

Ensures safety of the regular road travellers across India

Products quality matching international standards



# STRENGTHS THAT HELPED US PROVIDE AN INNOVATIVE SOLUTION

## Culture

- Invested in transforming organizational principles to meet expected quality standards
- Graduated from a manufacturer to a solution provider
- Developed a culture of comprehensive excellence
- Invested in human capital and building an organizational culture to sustain growth.





**Capabilities**

- Focused on quality (product and process) and capability enhancement for sustainable growth
- Benchmarked operations with the best industry standards.
- Invested in recruitment, training, and retention of skilled human capital.

**Customer Proximity**

- Positioned as a reliable supplier of quality pipes
- Widened and deepened the product mix
- Prioritized meeting quality and quantity needs of customers
- Achieved on-time and in full order fulfillment through a widespread distribution network



**Product mix**

- Widened the product mix by developing value-added products
- Regularly introduced new products
- Addressed widening customer needs from a wide range of industries
- Positioned the company as a one-stop solution provider

**Marketing**

- Enhanced visibility in the domestic market through different marketing initiatives such as customers' Meet, Fair Participations, Retailer's Board.
- Focused on building a presence across a wide range of industries
- Invested in creating a pan India distribution network

**Distribution**

- A strong distribution network of more than 390 distributors and dealers and 590+ SKUs
- Product presence in more than 17 states in India
- Manufacturing units and warehouses are located near the key markets, ensuring easy availability of products

**Hi-Tech's strategy in action**

We have a clear strategy that is designed to realize our ambition to become the most dynamic, innovative, and trusted piping solution provider in India



**Generate profitable growth in our core markets**



**Realise opportunities across different industries**



**Continue to enhance our manufacturing capability**



**Build trust and respect across our stakeholder community**

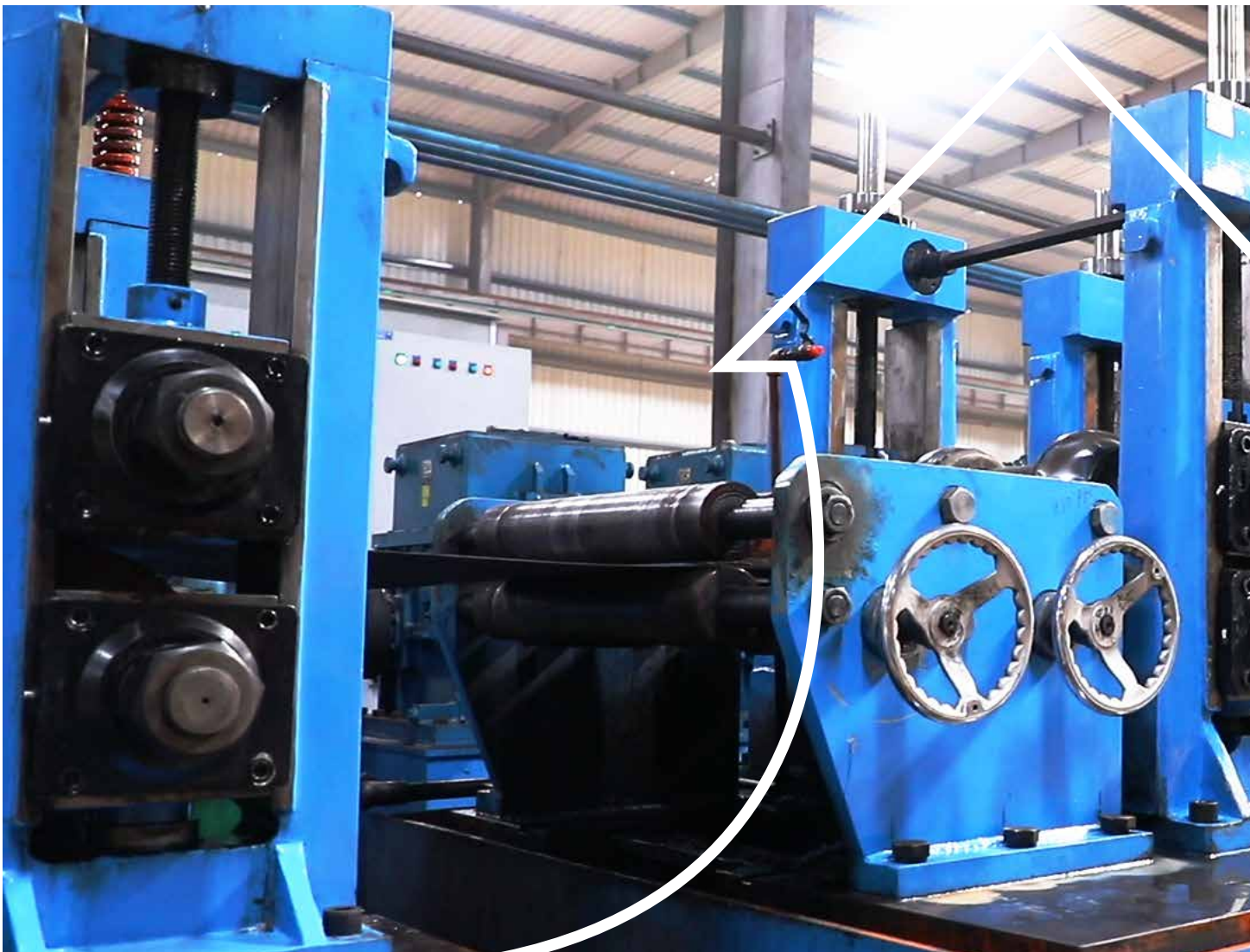


# BUILDING INNOVATION - FOCUSED TOMORROW

At Hi-Tech Pipes, we believe that doing well in business involves doing good in our core capabilities.

We are committed to improving the lives of our customers and our communities by unleashing the power of the innovation to deliver the best solutions for our customers across different industries.

As a proactive organization, we invest in the latest technology, state-of-the-art machinery, process improvement, and business capital every step of the way.



**we plan to create a portfolio of high-quality piping solutions in the markets where we have a strong presence which is expected to generate attractive, low risk, and income-led returns.**



Together, we have been successful in delivering what matters to them, enhanced cost savings, built economies of scale, and achieved operational efficiency.

Through this we plan to create a portfolio of high-quality piping solutions in the markets where we have a strong presence which is expected to generate attractive, low risk, and income-led returns.





# SHARING SMILES AT HI-TECH PIPES

At Hi-Tech Pipes we believe that our social responsibility is a keystone of our commitment to provide the highest quality service to our customers. Driven by the philosophy, to give back where we live, has enabled us to make a positive and lasting difference in our communities.

At Hi-Tech Pipes, every year we review the issues which matter the most to our stakeholders and take different measures, so as to help the community rise above the challenges and grow along with the Company. Our commitment to education, healthcare and environment makes Hi-Tech Pipes one of its kind.

## Going green at Hi-Tech Pipes



**MANAGEMENT  
DISCUSSION AND  
ANALYSIS**

# MANAGEMENT DISCUSSION AND ANALYSIS



## GLOBAL ECONOMY REVIEW

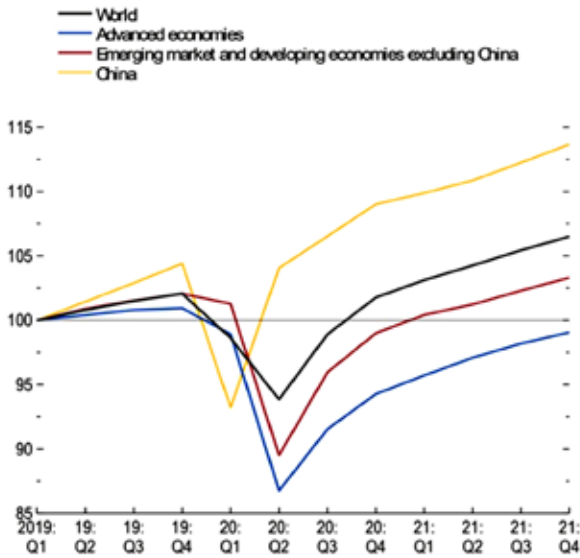
Plagued by prolonged trade conflicts and wide range policy uncertainties, the global economy is estimated to have grown at 2.9% in 2019. The global volume of merchandise traded slowed down dramatically in recent years and even went in reverse in 2019 in contrast to a 21st-century average growth rate of about 3.4% per annum. Global growth and economic activities weakened considerably in 2019 as it got negatively impacted by ongoing trade wars, geopolitical tensions, and idiosyncratic stress in some of the key emerging economies including weakening growth in China. In many parts of the world, the manufacturing sectors were hovering either in a recession or close to recession territory which again negatively impacted global growth. In response, many central banks began to loosen their monetary policy – rather than tightening them as had been expected a year ago – with some countries (notably China and the United States) providing additional stimulus to boost the economy.

Intensifying social unrest in several countries presented with new challenges, while weather-related disasters such as hurricanes in the Caribbean, drought, and bushfires in Australia, floods in eastern Africa, and drought in southern Africa had its own share of impact on the global economy.

**In many parts of the world, the manufacturing sectors were hovering either in a recession or close to recession territory which again negatively impacted global growth**

Expected quarterly global gdp growth, Pre and Post Covid-19

(2019: Q1 = 100)



(Source: <https://www.marketwatch.com/story/imf-slashes-world-growth-outlook-for-2020-and-sees-sluggish-turnaround-next-year-2020-06-24>)

However, the fag end of 2019 finally saw the market sentiment being boosted by tentative signs that manufacturing activity and global trade are bottoming out. A broad-based shift toward accommodative monetary policy, intermittent favorable news on US-China trade negotiations, and diminished fears of a no-deal Brexit lead to some retreat from the risk-off environment.

**The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast.**

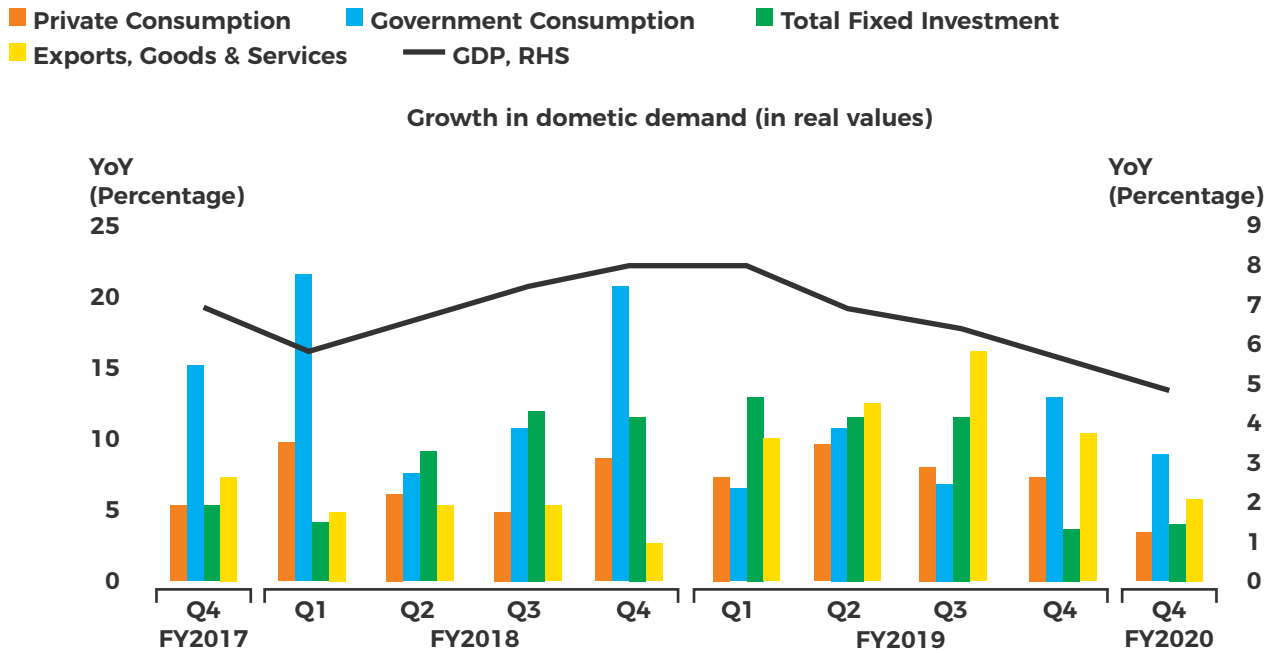
Despite these positives, the COVID-19 pandemic outbreak has, with alarming speed, delivered a global economic shock of enormous magnitude. COVID-19 has triggered a global crisis like no other - a global health crisis that, in addition to an enormous human toll, is leading to the deepest global recession since the second world war. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. Overall, the global growth is projected at -4.9% in 2020 and a very sluggish recovery in 2021.

### INDIAN ECONOMY REVIEW

A key player in the global economy, the Indian economy emerged as one of the fastest-growing economies in early 2018 driven by strong consumption demand and steady growth across some of the major sectors. But 2019 proved to be a difficult year for the Indian economy, with the country's real estate, automobile, construction sectors, and overall consumption demand facing a serious and constant decline.

The government's first advanced estimate indicated the Indian economy grew at less than 5% for the fiscal year 2019-20 (FY20) compared to 6.8% recorded in 2018-19. The decline has been mainly on account of deceleration in manufacturing sector growth, which is expected to come down to 2% in 2019-20 from 6.2% in the year-ago fiscal. Another major reason for the decline is degrowth in the consumption demand. Slower domestic consumption dragged on growth and tighter credit conditions led to weaker private investment, which has translated into fewer jobs. Three of the four growth engines - private consumption, private investment, and exports - have slowed down significantly during the fiscal. India's private sector investment, which is one of the mainstays of the economy, stood at a 15-year low in 2019. Consumption, the biggest contributor to India's growth till date, fell to an 18-quarter low of 3.1% in Q1 FY20, pointing to the fragile consumer sentiment and purchasing ability.

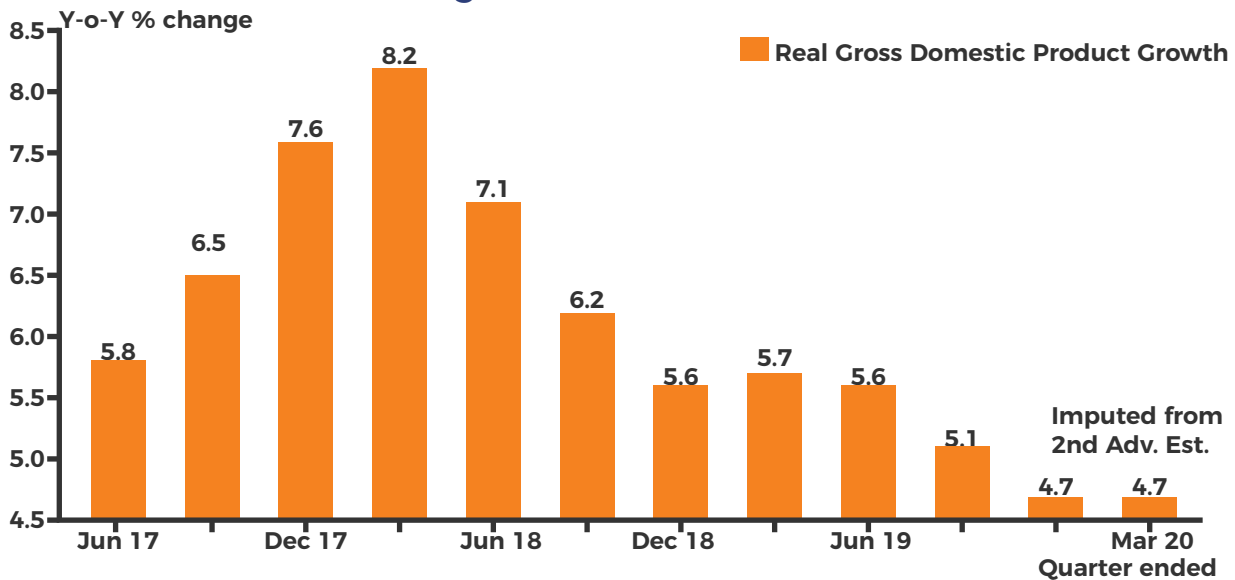
**INDIA'S GDP GROWTH IMPACTED BY SLUGGISH DEMAND**



(Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>)

**INDIA'S MACROECONOMIC PERFORMANCE**

**GDP growth tumbles down**



(Source: <https://economicoutlook.cmie.com/>)

However, the greatest shock to the Indian economy came in the form of the outbreak of the pandemic Covid-19 and the subsequent lockdown. As the economy was on its path of recovery in the last quarter of FY20, the economy faced its greatest economic jolt of recent times with the outbreak of the Coronavirus. Although

the true impact of the pandemic outbreak is likely to be felt during in FY21, it is quite clear that the economy is like to go through another difficult year. India recorded its first Covid-19 case on January 30, 2020 and since then the cases have increased steadily and significantly. As lockdown was imposed to restrict the spread



of the corona virus, the economy came to a grinding halt since March 2020 and the same has caused an unprecedented collapse in economic activities. Almost every industry bore the brunt of the lockdown, but sectors such as services sector, hospitality sector, MSME sector, and construction sector were hit the hardest. Nationwide curbs brought the tourism, aviation, and hospitality industry to a crashing halt, while the construction sector is expected to face huge financial owing to project delays and subdued investment in the sector, thereby affecting jobs in those sectors as well. The Indian economy is estimated to have grown at 1.2% in the last quarter of FY20 and dragged the full year FY20 GDP growth to 4.2%, weakest since the 2008 financial crisis.

## OUTLOOK

During the year, the government undertook several decisive measures to boost the Indian economy across different sectors. But the breakout of the Covid-19 pandemic in India in mid-March is likely to have a severe impact on the already slowing Indian economy. The sheer scale of disruption from the phased national lockdown, adopted by the government to contain the outbreak, is unprecedented in Indian history. While the lockdown may have

been necessary to limit the spread of the coronavirus, but it resulted in a total stop in almost all the major economic activities in the country and therefore resulting into massive job losses, income loss, and dramatic curtailment of production and infrastructural activities among others.

The fourth quarter (FY20) numbers offered a glimpse into what lies ahead for the Indian economy in the current fiscal (FY21) when the full impact of the lockdown is sure to drag the economy deeper into the negative territory. Owing to pandemic outbreak and the subsequent nationwide lockdown, according to IMF, the Indian economy is likely to see a sharp contraction of 4.5% in 2020 as the unprecedented coronavirus pandemic has nearly stalled all economic activities and private consumption is likely to contract due to large-scale loss of income in the face of worsening domestic outbreak of COVID-19. Further it is expected that the economy is likely to see a deeper contraction in fixed investments as many businesses' houses would choose to cut back on capital expenditure to conserve cash amid elevated economic uncertainty. But the Indian economy is expected to bounce back in 2021 with a robust 6% growth rate.

## STEEL INDUSTRY OVERVIEW

### Global steel industry

Global crude steel production reached 1,869.9 million tonnes (Mt) for the year 2019, up by 3.4% compared to 2018. Crude steel production contracted in all regions in 2019 except in Asia and the Middle East.

Asia produced 1,341.6 Mt of crude steel in 2019, an increase of 5.7% compared to 2018. China's total crude steel production in 2019 reached 996.3 Mt, up 8.3% from 2018. China's share of global crude steel production increased from 50.9% in 2018 to 53.3% in 2019. India's crude steel production for 2019 stood at 111.2 Mt, up 1.8% from 2018. Other major Asian producers such as Japan and South Korea recorded production of 99.3 Mt and 71.4 Mt in 2019, a decline of 4.8% and 1.4% respectively from 2018.

**Owing to pandemic outbreak and the subsequent nationwide lockdown, according to IMF, the Indian economy is likely to see a sharp contraction of 4.5% in 2020**

The EU region produced 159.4 Mt of crude steel in 2019, a decrease of 4.9% compared to 2018. Germany produced 39.7 Mt of crude steel in 2019, a decrease of 6.5% from 2018. Italy produced 23.2 Mt in 2019, a decline of 5.2% compared to 2018. France's total crude steel production saw a decline of 6.1% in 2019 compared to 2018 and stood at 14.5 Mt. Spain produced 13.6 Mt of crude steel in 2019, a decline of 5.2% from 2018. Crude steel production in North America was 120.0 Mt in 2019, 0.8% lower than in 2018. The US production stood at 87.9 Mt in 2019, up by 1.5% from 2018. The CIS produced 100.4 Mt, a decrease of 0.5%. Russia produced 71.6 Mt of crude steel in 2019, down by 0.7% from 2018. Ukraine produced 20.8 Mt of crude steel in 2019, a decrease of 1.2% compared to 2018.

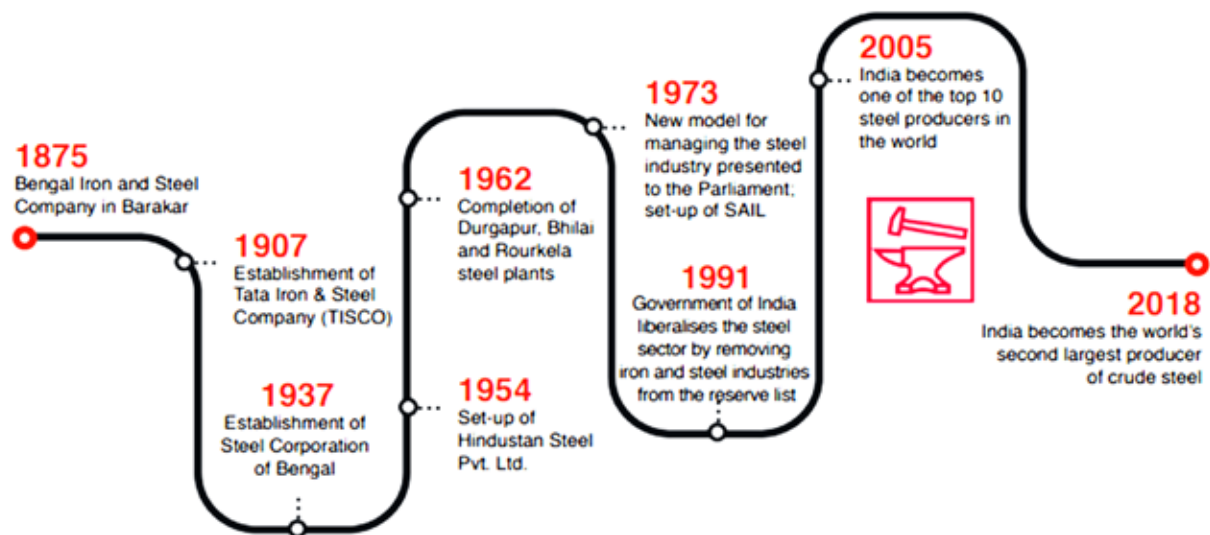
### Impact of Covid-19 on the global steel industry

The World Steel Association also holds conservative view on steel demand forecast as in its recent release, it forecasted the global crude steel demand to fall by 6.4% to 1,654 Mt in 2020 and recover to 1,717 Mt in 2021 (3.8% y-o-y growth). Hence, though the decline phase (caused by Covid19) was quick, the recovery phase is expected to be slow and long.

### Indian steel industry overview

Metals have been one of the core drivers of industrialization. Among metals, steel has historically held a dominant position. As raw material and intermediate products, production and consumption of steel are widely regarded as indicators of economic progress. India emerged as the 2nd largest steel producer in the world in 2018 compared to the 8th largest producer in 2003, driven by domestic availability of raw materials such as iron ore and cost-effective labor.

### The journey of the Indian steel industry



Source: [https://sail.co.in/background\\_history#top](https://sail.co.in/background_history#top), [static.investindia.gov.in](http://static.investindia.gov.in)

The broad contours of the policy are as follows:

- ↑ Steel-making capacity is expected to reach 300 million tonnes per annum by 2030-31.
- ↑ Crude steel production is expected to reach 255 million tonnes by 2030-31, at 85% capacity utilization.

- ↑ reduction of finished steel to reach 230 million tonnes, assuming a yield loss of 10% for conversion of crude steel to finished steel – that is, a conversion ratio of 90%.
- ↑ With 24 million tonnes of net exports, consumption is expected to reach 206

million tonnes by 2030-31.

- ↑ As a result, per capita steel consumption is anticipated to rise to 160 kg.
- ↑ An additional investment of INR 10 lakh crore is envisaged.

### GLOBAL STEEL TUBES AND PIPES INDUSTRY

Valued at around USD 141.3 billion in 2018, the global steel pipes and tubes market size is expected to grow at a CAGR of 9.0% from 2019 to 2025 driven by demand from the oil & gas industry wherein the product is used in exploration, processing, and transmission applications. However, the global metal pipe market is expected to reach an estimated US\$ 97.7 billion by 2023 growing at a CAGR of 3.9%. The major drivers for this market are increasing construction of new pipelines for oil and gas, water and wastewater, replacement of aging pipelines, and infrastructure development. Further impetus is likely to be provided by opportunities in the oil and gas, power generation, automotive, and industrial sectors.

### INDIAN STEEL PIPES INDUSTRY

Contributing nearly 8% to India's steel consumption, the Indian steel pipes industry will benefit from healthy demand outlook, resilient margins and moderate capex intensity over the medium term. Steel Tubes industry is one of the important segments of the Steel Sector, which has been growing at a CAGR of approx. 4-5 % over the last 3 years. Buoyant demand in the key user sectors like automotive, infrastructure, oil & gas, power, steel & chemicals, is expected to continue to provide a fillip and an optimistic scenario for the steel tube business in the country.

Valued at around Rs. 50,000 crores, domestic demand in the Indian steel pipes industry has grown at a CAGR of 4.5% over the last five years. However, driven by increased investment in water supply, oil and gas, sanitation projects, irrigation, and CGD projects, the domestic demand is likely to grow at a CAGR of 7-8% over the next five years.

Growth driver of the Indian piping industry

- ↑ Improving the transmission network by replacing old oil & gas trunk pipelines and laying a fresh network of more than 11,000 km of new trunk pipelines to ensure efficient distribution of crude oil and petroleum products.
- ↑ Expansion of natural gas connectivity from LNG terminals and natural gas production hubs under city gas distribution (CGD) is expected to drive demand.
- ↑ Feeder pipelines from rivers and canals to ensure efficient water supply and its availability for irrigation and basic sanitation. After the launch of 'Swachh Bharat' mission and 'Access to at-least basic sanitation', the basic sanitation coverage in India went up from ~40% in Oct 2014 to 99% in Feb 2019. The need for water and sewage disposal will improve with education and urbanization, which is expected to trigger demand for high diameter long-range pipeline networks to supply water.
- ↑ The government's thrust on the rural economy and different infrastructure schemes such as Bharatmala Pariyojana, CGD projects, and the PMAY scheme are likely to provide the impetus.
- ↑ Furthermore, rapid urbanization and development of new industries are also a major factor anticipated to foster the growth of the Indian steel pipes market.
- ↑ This rise in demand for steel pipes in fire sprinkler system installation is expected to drive the market in the near future. Additionally, the use of structural steels in pole, fencing, and handrails exhaust pipes are also driving the demand for steel pipes globally.

### BUSINESS AND COMPANY OVERVIEW

Hi-Tech Pipes Limited (hereafter to be referred to as the Company) is one of the largest steel pipes manufacturers in India with a diversified product portfolio catering to various sectors and



industries including all reputed public sector undertakings. Engaged in the manufacturing of steel products like steel tubes and pipes like hollow sections, CR sheets, and strips, galvanized coils and metal crash barriers, the Company is a market leader in the crash barrier segment. With the success in the piping segment, the Company recently forayed into the solar structures segment.

With a focus on manufacturing quality and specialized products that meet the requirements of its customers, the Company's vision is to emerge as the number one player in India. With a keen eye on quality, the Company has imbibed the use of advanced and state-of-the-art technologies across its manufacturing units. In line with this strategy, the Company also started commercial production of galvanized steel tubes at the Hindupur facility.

#### **STRONG PROJECT EXECUTION CAPABILITIES**

The Company started operations in its new plants in Sanad and Hindupur within 10 months! This showcased Hi-Tech Pipe's strong project execution capabilities. Further, we doubled our

capacity in FY20 by taking capacity enhancing initiatives. It enables us to strengthen our base in the Western & Southern market where there is a higher demand for value-added galvanized pipes. The Company regularly undertakes productivity optimization, de-bottlenecking and yield improvement measures in order to sustain market leadership.

#### **STRONG BRAND IMAGE AND PAN INDIA DISTRIBUTION NETWORK**

Superior quality, customization, durability, and competitive pricing of products makes the Company a desired supplier to reputed Indian business houses like L&T, NHAI, EIL, BHEL, DMRC, PGCIL, AAI, MMRDA, PWD, MES, and RIL among others. The Company has managed to establish a highly integrated, ever-expanding distribution network, built across 3 decades of prominence in the industry. This network comprises more than 390 distributors and dealers, and 590+ SKUs spread across India. Transparency and mutual trust with the country's leading architects, builders, and contractors, along with superior product quality has accelerated the Company's global brand presence. The Company has successfully completed 125+ projects in India, lately emerging as a celebrated brand in more than 17 states in the country.

#### **OUTLOOK**

With an aspiration to reach a total installed capacity of 1 million MT, the Company is working towards regularly enhancing its production capacity. Creating a brand name within its industry space which is well respected not only in India but also in international markets is also a focus area of the Company.

The recent focus of the government on some of the key industries is likely to drive the growth of the industry. The growing importance of water management in India is likely to catalyze the future growth of the industry.

**Valued at around  
Rs. 50,000  
crores, domestic  
demand in the  
Indian steel  
pipes industry  
has grown  
at a CAGR of  
4.5% over the  
last five years.  
However, driven  
by increased  
investment in  
water supply,**



**DIRECTORS'  
REPORT**

# DIRECTORS' REPORT

To  
**The Members,**

Your Directors are pleased to present the 36th Directors' Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

## 1. FINANCIAL SUMMARY OR HIGHLIGHTS

The Company's Financial Performance for the Financial Year ended March 31, 2020 is summarized below:

(Rupees in Crores)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Net Revenue from Operations	967.07	1117.61	1209.62	1360.42
Other Operating Revenue	-	-	-	-
Other Income	1.25	1.34	1.25	1.38
Operating Profit before Finance Costs, Depreciation, Tax	45.70	55.72	60.47	76.16
Less: Depreciation and amortization expenses	5.04	4.14	6.57	5.31
Finance Cost	24.24	23.04	30.04	29.85
<b>Profit before Tax and Exceptional Expenses</b>	<b>16.40</b>	<b>28.54</b>	<b>23.86</b>	<b>41.00</b>
Less: Tax Expenses	2.33	10.36	3.48	13.64
Net Profit for the Year from Continuing operations	14.05	18.18	20.39	27.35
Net Profit for the Year from Discontinued Operations	0	0	0	0
<b>Profit for the year</b>	<b>14.05</b>	<b>18.18</b>	<b>20.39</b>	<b>27.35</b>
Other Comprehensive Income	0	0.17	0	0.18
Total comprehensive income for the year, net of tax	14.05	18.35	20.39	27.53
<b>Earning per equity share (Face Value of ₹10 each)</b>				
- Basic	12.98	17.20	18.85	25.79
- Diluted	12.98	16.28	18.85	24.42

2. During the Financial Year 2019-20, revenue from operations on standalone basis decreased to Rs. 967.07 crores as against 1117.61 crores in the previous year- a dip of 13%.

The profit after tax for the current year is Rs. 14.05 crores against Rs.18.18 crores in the previous year a dip of 25%.

On a consolidated basis, the group achieved revenue of Rs. 1209.62 crores as against Rs. 1360.42 crores- a dip of 11%. Net profit for the current year is Rs. 20.39 crores against Rs. 27.35 crores in the previous year - a dip of 25%.

## 3. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS

Your Company is a Multi Product company marking its presence in steel pipes, hollow sections, tubes, cold rolled coils & strips, road crash barriers, solar mounting structures and a variety of other galvanised products since more than 3 decades. The end uses of these products are in high-rise buildings, metro stations, bridges, dams, refineries, telecom, airports, highways, power projects etc.

During the year under review, your Company's State of Affairs can be stated in a nutshell as follows:

- ↑ Your Company has featured in the fifth edition of Fortune India The Next 500. The company ranks 250 in Fortune magazine's list of 500 companies for emerging as a leader in the structural tubes and pipes industry.
- ↑ Your Company become a Top Performer by Awarding for being one among the largest customer for Hot rolled Coils on PAN India basis from Steel Authority of India.
- ↑ Your company has received **ISPAT RACHANA AWARD 2019** for adopting best energy efficiency practices and ultra-modern manufacturing infrastructure from Sh. Dharmendra Pradhan, Minister of Petroleum & Natural Gas and Minister of Steel.

COVID-19 is the most catastrophic and the most defining epoch of our lifetime. With no precedence, it has rattled lives and economies across the world, and India has not been spared either. It has further offset the green shoots of recovery of the Indian economy that were visible towards the end of 2019 and early 2020. The year that started with weak demand owing to slow-down in real estate, industrial and infrastructure segments along with liquidity squeeze, ended with the global economy coming to an indeterminate standstill following the outbreak of COVID-19. Regardless of the challenging economic environment your company still managed to fare well.

During the year your company reached out to dealers across the country to assuage their fears and update them of our actions to protect their interest. We released significant payments to dealers against their trade schemes thus easing their liquidity issues and also conducted physical products training sessions to enhance their knowledge. These initiatives have helped strengthened our bond with our dealers and distributors.

Further information on the Business overview of the Company is discussed in detail in the Management Discussion & Analysis.

The Share capital of the Company is 10926100 at face value of Rs. 10/- per share.

#### 4. DIVIDEND

Your Directors are pleased to recommend a final

dividend of Rs. 0.25/- per Equity Share for the year 2019-20. The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of Rs. 27.32 Lacs. The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

The Register of Members and Share Transfer books shall remain closed as per the schedule given in notice of Annual General Meeting.

#### 5. CONSOLIDATED FINANCIAL STATEMENTS OF SUBSIDIARY & ASSOCIATE COMPANY

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

In compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014. A statement containing the salient features of financial statements of subsidiaries/joint venture companies of the Company in the prescribed Form AOC - 1 (**ANNEXURE-1**).

The said Form also highlights the financial performance of each of the subsidiaries included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Act, the financial statements of the subsidiary companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except, Sundays and public holidays upto the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have also been uploaded on the website of the Company at [www.hitechpipes.in](http://www.hitechpipes.in)



As per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, HTL Metal Private Limited wholly owned subsidiary of the Company identified as Material Subsidiary. Hence the Secretarial Audit of the Company is conducted and the report of the same has been upload at the website of the Company viz.: www.hitechpipes.in.

List of Subsidiary of the Company is as follows:

1. HTL Metal Private Limited
2. HTL Ispat Private Limited
3. Hitech Metalex Private Limited

## 6. MATERIAL CHANGES AND COMMITMENT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

## 7. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

- a) Mr. Ajay Sahay Independent Director resigned w.e.f. 12/10/2019
- b) Mrs. Neerja Kumar was appointed as Independent Director on the Board w.e.f. 22<sup>nd</sup> January, 2020
- c) Further, Ms. Tanvi Kumar has Re-appointed as Additional Independent Director subject to the approval of the shareholders for the Second term of Five Year.

## 8. BOARD OF DIRECTORS

### DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or

may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

The details of director being recommended for re-appointment as required under SEBI (Listing obligations and disclosure requirements Regulations, 2015 are contained in notice convening AGM of the Company.

Appropriate resolution seeking your approval to the re-appointment of director is also included in the notice.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

4 (Four) meetings of the Board of Directors were held during the financial year 2019 – 20. The details of the meetings of the Board of Directors of the Company convened during the financial year 2019-20 are given in the Corporate Governance Report which forms part of this Annual Report.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Ajay Kumar Bansal (Director), is liable to retire by rotation at the ensuing AGM and being eligible offered himself for re-appointment.

## 9. COMMITTEES OF THE BOARD

A detailed note on the Board and its Committees is provided in the "Report on Corporate Governance" forming part of this Annual Report. As on March 31, 2020, the Board has the following standing Committees:

### MANDATORY COMMITTEES

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Corporate Social Responsibility Committee
- iv. Stakeholders' Relationship Committee

### NON-MANDATORY COMMITTEES

- i. Executive Committee
- ii. Securities Allotment Committee

For details of the terms of reference, meetings



held during the year, membership and attendance of the members at the meetings of the above Committees of the Board, kindly refer to the "Report on Corporate Governance" forming part of this Annual Report.

#### 10. MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 22<sup>nd</sup> January, 2020, without the presence of non-independent directors and members of the management, to review the performance of non-independent directors and the Board as a whole, the performance of the Chairperson of the company and also to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

#### 11. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 profit and loss of the company for that period.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were

adequate and operating effectively.

#### 12. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms part of the Directors' Report and is annexed herewith as "ANNEXURE-2".

#### 13. AUDITORS AND THEIR REPORTS

##### STATUTORY AUDITOR:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. A.N. Garg & Co, Chartered Accountants (ICAI Firm Registration No. 004616N) New Delhi were appointed as Statutory Auditors at 33<sup>rd</sup> Annual General Meeting (AGM) of the Company held on 25<sup>th</sup> September, 2017 for a term of 5 consecutive years.

M/s. A.N. Garg & Co, Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Reports given by the Statutory Auditors on the financial statements of the Company, the consolidated financial statements of the Company and its subsidiary for the financial year ended March 31, 2020, form part of this Annual Report. There has been no qualification, reservation or adverse remarks made by Statutory Auditors in their Reports. The Statutory Auditors have not reported any frauds to the Audit Committee under Section 143(12) of the Act.

##### SECRETARIAL AUDITORS AND THEIR REPORT

The Board of Directors of the Company has appointed NSP & Associates, Practicing Company Secretary (Certificate of Practice No. 10937), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2020 - 21.

The Company has received consent from NSP & Associates to act as the auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2021.

The Secretarial Audit Report for the financial year ended 31st March, 2020 under Companies Act, 2013, read with Rules made thereunder and Regulation 24A of the Listing Regulations



(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the **ANNEXURE-3** to this report.

The Secretarial Compliance Report for the financial year ended 31st March, 2020, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations is upload on the website of the Company.

The Secretarial Audit Report and/or Secretarial Compliance Report does report a remark of fine imposed by NSE for delay in filling the trading approval. The Company explored the legal remedies available and decided to approach the Hon'ble SAT for their opinion.

#### **COST AUDITORS**

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act, and accordingly such accounts and records are made and maintained in the prescribed manner.

The Board of Directors of the Company, on the recommendations made by the Audit Committee, has appointed M/s. S. Shekhar & Co., Cost Accountants, (Firm Registration No. 000452) as the Cost Auditor of the Company to conduct the audit of cost records of certain products for the financial year 2020 - 21 at a remuneration of Rs. 50,000/-. As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the members, for ratification. The Board recommends the ratification of remuneration of cost auditors of the company.

In terms of Section 148 of the Companies Act, 2013, the company had appointed M/s S.Shekhar & Co. Cost Accountants as the Cost Auditors of the Company to audit the Cost records for the FY 2019-20, M/s S. Shekhar & Co. Cost Auditors shall submit their report to the company in due course of time.

#### **14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, guarantees and investments covered under Section 186 of the Act read with the Companies (Meetings of Board and its

powers) Rules, 2014, as on 31st March, 2020 are given in Note No. 15 to the Financial statements forming part of this Annual report.

#### **15. RELATED PARTY TRANSACTIONS**

During the financial year 2019-20, the Company entered into transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

Further, there were no transactions with related parties which qualify as material transactions in accordance with policy of the company on materiality of related party transactions. In view of the above, disclosure in Form AOC-2 is not applicable. All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) - 24 are set out in Note 36 to the Standalone Financial Statements of the Company.

The policy on Related Party Transactions is available on the website of the Company at [http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/Policy\\_on\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/Policy_on_Dealing_with_Related_Party_Transactions.pdf)

#### **16. DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there are no unclaimed or unpaid deposits lying with the company for the year under review.

#### **17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report on Company's operational performance, industry trends and other required details prepared

in compliance of Regulation 34 of the Listing Regulations forms part of this Annual Report.

## 18. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises of:

Name of the Members	Status	Nature of Directorship
Mr. Anish Bansal	Chairman	Whole Time Director
Mrs. Neerja Kumar	Member	Non-Executive Independent Director
Mr. Ajay Kumar Bansal	Member	Managing Director

Mr. Anish Bansal is the Chairman of the Committee.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **ANNEXURE-4** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy has been uploaded on the company's website and same may be accessed at the link given hereunder:

[http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/CSR\\_Policy.pdf](http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/CSR_Policy.pdf)

## 19. DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

Details pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as **ANNEXURE-5**.

## 20. CORPORATE GOVERNANCE

The Directors adhere to the requirements set out by Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed, secretarial compliances, reporting, intimations etc. under the Companies Act, 2013, Listing Agreements and other applicable laws, rules and regulations are noted in the Board/Committee meeting from time to time. The Company has implemented several best Corporate Governance

Practices as prevalent globally.

The Corporate Governance Report as stipulated under Regulation 34(3) and other applicable Regulations read with Part C of Schedule V of SEBI (LODR), 2015 forms part of this report.

## 21. RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The objective of Risk Management at Hi Tech Pipes Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

The Company has adopted Risk Management Policy which is aimed at creating and protecting Shareholders value by minimizing threats and losses and identifying and maximizing opportunities. Your Directors periodically review the risk associated with business or threatens the prospects of the Company.

## 22. FORMAL ANNUAL EVALUATION

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board has carried out the performance evaluation of all the Directors (including Independent Directors) on the basis of recommendation of Nomination and Remuneration Committee and the criteria formulated for the performance evaluation. The evaluation of the Board and of the various committees was made on the basis of the following assessment criteria:

- (i) Adequacy of the constitution and composition of the Board and its Committees
- (ii) Understanding of the Company's principles, values, philosophy and mission statement
- (iii) Matters addressed in the Board and Committee meetings
- (iv) Effectiveness of the Board and its Committees in providing guidance to the management of the Company
- (v) Processes followed at the meetings



(vi) Board's focus, regulatory compliances and Corporate Governance

The performance of the Committees was also evaluated by the members of the respective Committees on the basis of the Committee effectively performing the responsibility as outlined in its Charter/Terms of reference. Similarly, the evaluation of the Independent Directors and other individual Directors' performance was made by the entire Board, on the basis of the following assessment criteria:

- (i) Attendance and active participation in the Meetings
- (ii) Contribution in Board and Committee Meetings
- (iii) Execution and performance of specific duties, obligations, regulatory compliances and governance

The Board members had submitted their response for evaluating the entire Board and respective Committees of which they are members.

### 23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the period under Review, no material order has been passed by any Regulator or Court excepting to the extent as may be mentioned in Notes to Accounts attached to the Financial Statements forming part of this Annual Report.

### 24. WHISTLE BLOWER POLICY / VIGIL MECHANISM

In compliance with the requirements of the provisions of Section 177 of the Act read with Regulation 22 of the Listing Regulations, the Board has established a vigil mechanism for Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's Policies. The policy is available on the website of the Company at [http://www.hitechpipes.in/pdf/Codes%20and%20policies%20P1/Vigil\\_Mechanism\\_Policy.PDF](http://www.hitechpipes.in/pdf/Codes%20and%20policies%20P1/Vigil_Mechanism_Policy.PDF)

### 25. POLICY ON PROTECTION OF WOMEN FROM SEXUAL HARASSMENT

The Company has always endeavored for providing a better and safe environment free

of sexual harassment at all its work places. The Company has in place a robust policy on Protection of Women from Sexual Harassment in line with the requirements of the Sexual Harassment of Woman at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Policy applies to, in relation to a workplace, a woman, of any age whether employed or not, all categories of employees of the company, including permanent, management, workmen, trainees, probationers and contract employees of all cadres at its workplace or outside on official duty.

An Internal Complaints Committee (ICC) has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Committee members are as mentioned below:

ICC Members	Designation
Ms. Tanvi Kumar	Independent Director (CHAIRMAN)
Ms. Neetu Sharma	Head-Human Resource Department

During the year, no complaints on sexual harassment were received by the Committee.

### 26. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Hi-Tech has adequate system of internal controls commensurating with the size of its operation and business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all the business transactions are authorized, recorded and reported correctly and adequately.

Your Company has adopted procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

During the year, M/s. Goyal & Goyal, Chartered Accountants were re-appointed as the Internal Auditors by the Board of Directors of the Company for the FY 2020-21. The audit scope and plans of internal audit are approved by the Board every year.

## 27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE-6** and forms part of this Report.

## 28. ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support

extended to the Company by its customers which enables the Company to make every effort in understanding their unique needs and deliver maximum customer Satisfaction. We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results. We acknowledge the support of our vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and other stakeholders.

For and on behalf of  
Board of Directors of Hi-Tech Pipes Limited

**Ajay Kumar Bansal**  
Managing Director  
New Delhi  
June 27<sup>th</sup>, 2020



**FORM AOC-1**

Statement containing salient features of the financial statement of subsidiaries/associate

**(Rs. In Lakhs)**

S. No	Particulars	Name	Name	Name
1.	Name of the subsidiary	HTL Metal Private Limited	HTL Ispat Private Limited	Hitech Metalex Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
4	Share capital (Rs. In Lakhs)	236.00	50.00	0.10
5	Reserves & surplus	2439.04	(2.87)	-
6	Total assets	10352.00	1246.70	0.10
7	Total Liabilities	7677.00	1199.58	-
8	Investments	0.03	-	-
9	Turnover	24255.11	-	-
10	Profit before taxation	750.00	-	-
11	Provision for taxation	115.00	-	-
12	Profit after taxation	635.00	-	-
13	Proposed Dividend	NIL	NIL	-
14	% of shareholding	100	100	100

**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S.No	Name of Associates	Name
1	<b>Latest audited Balance Sheet Date</b>	-
2	<b>Shares of Associate/Joint Ventures held by the company on the year end</b>	
	No	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	-
6	Profit / Loss for the year	-
(i)	Considered in Consolidation	-
(ii)	Not Considered in Consolidation	-

**ANNEXURE-2**
**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

<b>CIN</b>	L27202DL1985PLC019750
<b>Registration Date</b>	02/01/1985
<b>Name of the Company</b>	Hi-Tech Pipes Limited
<b>Category of the Company Sub-Category of the Company</b>	Company limited by Shares Non-Govt. Company
<b>Address of the Registered office and contact details</b>	505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi- 110034 Tel.No. - +91-11-48440050 Fax: +91-11-48440055 info@hitechpipes.in, <a href="http://www.hitechpipes.in">www.hitechpipes.in</a>
<b>Whether Listed Company: Yes/No</b>	Yes
<b>Name, Address and Contact details of the Registrar and Transfer Agent, if any</b>	<b>Bigshare Services Private Limited (Mumbai Office)</b> E- 2/3, Ansa Industrial Estate, Saki-Vihar Road Sakinaka Andheri (East), Mumbai- 400072 Tel. No.: 011 2352 2373 Fax: 91-22-2847 5207 For Investor queries/grievance <b>E-mail:</b> investor@bigshareonline.com <b>Bigshare Services Pvt. Ltd. (Delhi Office)</b> 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019 <b>Tel:</b> 011- 42425004

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company:

S. No.	Name and description of main products/services	NIC Code of the Product/service	% of total turnover of the Company
1.	Steel Tubes & Pipes	24311	79%
2.	Flat Steel	24105	18%
3.	Engineered Products	24319	3%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	HTL Metal Private Limited 501, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi 110034	U27320DL2011PTC214435	Subsidiary	100	2 (87)
2.	HTL Ispat Private Limited 501, Pearl Omaxe Tower, Netaj Subhash Place, Pitampura, New Delhi-110034	U27100DL2011PTC214434	Subsidiary	100	2(87)
3.	Hitech Metalex Pvt. Ltd. GF 10, Pearl Omaxe Tower, Netaj Subhash Place, Pitampura, New Delhi-110034	U27310DL2019PTC356455	Subsidiary	100	2(87)



#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) CATEGORY-WISE SHAREHOLDING

SR No.	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
<b>(A) Shareholding of Promoter and Promoter Group</b>										
1	<b>Indian</b>									
a)	INDIVIDUAL / HUF	5443877	0	5443877	50.87	5557877	0	5782877	52.93	2.06
b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	BODIES CORPORATE	1068000	0	1068000	9.98	1068000	0	1068000	9.77	(0.21)
d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)									
1	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
2	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>6511877</b>	<b>0</b>	<b>6511877</b>	<b>60.85</b>	<b>6625877</b>	<b>0</b>	<b>6850877</b>	<b>62.70</b>	<b>1.85</b>
<b>Shareholding of Promoter and Promoter Group</b>										
2	<b>Foreign</b>									
a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Public Shareholding</b>	<b>6511877</b>	<b>0</b>	<b>6511877</b>	<b>60.85</b>	<b>6625877</b>	<b>0</b>	<b>6850877</b>	<b>62.70</b>	<b>1.85</b>
<b>(B) Public shareholding</b>										
3	<b>Institutions</b>									
a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
b)	FINANCIAL INSTITUTIONS / BANKS	34252	0	34252	0.32	6001	0	6001	0.05	(0.27)
c)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	FOREIGN PORTFOLIO INVESTOR	111500	0	111500	1.04	126490	0	126490	1.16	0.12
k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>145752</b>	<b>0</b>	<b>145752</b>	<b>1.36</b>	<b>132491</b>	<b>0</b>	<b>132491</b>	<b>1.21</b>	<b>(0.15)</b>
<b>(B) Public shareholding</b>										
4	<b>Non-institutions</b>									
a)	BODIES CORPORATE	477362	0	477362	4.46	332367	0	332367	3.04	(1.42)
b)	INDIVIDUAL									
1	(CAPITAL UPTO TO Rs. 1 Lakh)	1091245	0	1091245	10.20	1106950	0	1106950	10.13	(0.07)
2	(CAPITAL GREATER THAN Rs. 1 Lakh)	1706675	0	1706675	15.95	1828921	0	1828921	16.74	0.79
c)	ANY OTHERS (Specify)									
1	HINDU UNDIVIDED FAMILY	368339	0	368339	3.44	247461	0	247461	2.26	(1.18)
2	TRUSTS	2340	0	2340	0.02	0	0	0	0.00	(0.02)
3	CLEARING MEMBER	333619	0	333619	3.12	281695	0	281695	2.58	(0.54)
4	NON RESIDENT INDIANS (NRI)	681	0	681	0.01	0	0	0	0.00	(0.01)
5	NON RESIDENT INDIANS (REPAT)	10779	0	10779	0.10	88085	0	88085	0.81	0.71



SR No.	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
6	NON RESIDENT INDIANS (NON REPAT)	52431	0	52431	0.49	57253	0	57253	0.52	0.03
7	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
8	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
9	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
10	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
11	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>4043471</b>	<b>0</b>	<b>4077574</b>	<b>38.10</b>	<b>3942732</b>	<b>0</b>	<b>3942732</b>	<b>36.09</b>	<b>(1.70)</b>
	<b>Total Public Shareholding</b>	<b>4189223</b>	<b>0</b>	<b>4223326</b>	<b>39.47</b>	<b>4075223</b>	<b>0</b>	<b>4075223</b>	<b>37.30</b>	<b>(2.17)</b>

**(C) Shares held by Custodians and against which Depository Receipts have been issued**

5										
f)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
12	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
13	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL</b>	<b>10701100</b>	<b>0</b>	<b>10701100</b>	<b>100.00</b>	<b>10926100</b>	<b>0</b>	<b>10926100</b>	<b>100.00</b>	<b>0.00</b>

NOTES:

1) Name, number of shares held & percentage of entities / persons holding more than 1% of the total shares of the Company.

ii) **Shareholding of Promoters & Promoter Group**

SL No	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	% Change
	<b>Promoters</b>							
1	AJAY KUMAR BANSAL	1520677	14.21	0.27	1530677	14.0094	0.27	(0.20)
2	ANISH BANSAL	767600	7.17	0.00	1066600	9.7619	0.00	2.59
	<b>Promoter Group</b>			0.00				
3	PARVEEN BANSAL	1019200	9.52	0.00	1039200	9.5112	0.00	(0.01)
4	VIPUL BANSAL	827600	7.73	0.00	837600	7.6660	4.12	(0.07)
5	AJAY KUMAR & SONS	520800	4.87	0.00	520800	4.7666	0.00	(0.10)
6	SHWETA BANSAL	551200	5.06	0.00	551200	5.0448	0.00	(0.01)
7	NARESH KUMAR BANSAL	8800	0.08	0.00	8800	0.0805	0.00	(0.00)
8	KUMUD BANSAL	48000	0.45	0.00	48000	0.4393	0.00	(0.01)
9	KRATI BANSAL	72000	0.67	0.00	72000	0.6590	0.00	(0.01)
10	RICHI BANSAL	108000	1.00	0.00	108000	0.9885	0.00	(0.02)
11	HI-TECH AGROVISION PRIVATE LIMITED	516000	4.82	0.00	516000	4.7226	0.00	(0.10)
12	AKS BUILDCON PRIVATE LIMITED	552000	5.15		552000	5.0521	0.00	(0.11)
	<b>TOTAL</b>	<b>6511877</b>	<b>60.85</b>		<b>6850877</b>	<b>62.7019</b>	<b>4.39</b>	<b>1.85</b>



### iii) Change in Promoter's Shareholding

SR NO	Name	Shareholding		Date	Increase/ Decrease in Share- holding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	AJAY KUMAR BANSAL	1496574	13.99	30-Mar-2019			1496574	13.99
			14.21	12-Apr-2019	24,103	Buy	1520677	14.21
			13.70	03-Jan-2020	10,000	Buy	1530677	14.01
		1530677	14.01	31-Mar-2020			1530677	14.01
2	PARVEEN BANSAL	1019200	9.52	30-Mar-2019			1019200	9.52
			9.33	31-Dec-2019	20,000	Buy	1039200	9.51
		1039200	9.51	31-Mar-2020			1039200	9.51
3	ANISH BANSAL	767600	7.17	30-Mar-2019			767600	7.17
			8.03	16-Sep-19	1,00,000	Preferential Allotment	867600	8.03
			9.08	25-Sep-19	1,25,000	Preferential Allotment	992600	9.08
			9.27	27-Dec-2019	20,000	Buy	1012600	9.27
			9.50	06-Mar-2020	25,000	Buy	1037600	9.50
			9.67	27-Mar-2020	19,000	Buy	1056600	9.67
			9.76	31-Mar-2020	10,000	Buy	1066600	9.76
		1066600	9.76	31-Mar-2020			1066600	9.76
4	VIPUL BANSAL	827600	7.73	30-Mar-2019			827600	7.73
			7.67	28-Feb-2020	10,000	Buy	837600	7.67
		837600	7.67	31-Mar-2020			837600	7.67
5	AKS BUILDCON PRIVATE LIMITED	552000	5.16	30-Mar-2019			552000	5.16
		552000	5.05	31-Mar-2020			552000	5.05
6	SHWETA BANSAL	541200	5.06	30-Mar-2019			541200	5.06
			5.04	12-Apr-2019	10,000	Buy	551200	5.04
		551200	5.04	31-Mar-2020			551200	5.04
7	AJAY KUMAR & SONS	520800	4.87	30-Mar-2019			520800	4.87
		520800	4.77	31-Mar-2020			520800	4.77
8	HI-TECH AGROVISION PRIVATE LIMITED	516000	4.82	30-Mar-2019			516000	4.82
		516000	4.72	31-Mar-2020			516000	4.72
9	RICHI BANSAL	108000	1.01	30-Mar-2019			108000	1.01
		108000	0.99	31-Mar-2020			108000	0.99
10	KRATI BANSAL	72000	0.67	30-Mar-2019			72000	0.67
		72000	0.66	31-Mar-2020			72000	0.66
11	KUMUD BANSAL	48000	0.45	30-Mar-2019			48000	0.45
		48000	0.44	31-Mar-2020			48000	0.44
12	NARESH KUMAR BANSAL	8800	0.08	30-Mar-2019			8800	0.08
		8800	0.08	31-Mar-2020			8800	0.08

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SR No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	MAHESH DINKAR VAZE	340000	3.18	30-Mar-2019	0		340000	3.18
		340000	3.18	31-Mar-2020	0		340000	3.18
2	GADAKH UDAYAN SHANKARRAO .	40200	0.38	30-Mar-2019	0		40200	0.38
			0.61	05-Apr-2019	25000	Buy	65200	0.61
			0.70	17-May-2019	9300	Buy	74500	0.70
			0.41	09-Aug-2019	-31000	Sell	43500	0.41
			0.25	16-Aug-2019	-16516	Sell	26984	0.25
			0.23	23-Aug-2019	-2662	Sell	24322	0.23
			0.70	25-Sep-2019	50178	Buy	74500	0.70
			1.20	17-Jan-2020	53800	Buy	128300	1.20
			1.26	07-Feb-2020	7000	Buy	135300	1.26
			1.43	13-Mar-2020	17504	Buy	152804	1.43
			152804	1.43	31-Mar-2020	0		152804
3	TRANSATLANTIC ARBITRAGE FUND LTD	110500	1.03	30-Mar-2019	0		110500	1.03
			1.24	05-Apr-2019	22650	Buy	133150	1.24
			1.17	07-Feb-2020	-7660	Sell	125490	1.17
		125490	1.17	31-Mar-2020	0		125490	1.17
4	MOTILAL OSWAL FINANCIAL SERVICES LTD - COLLATERAL ACCOUNT	110184	1.03	30-Mar-2019	0		110184	1.03
			1.03	19-Apr-2019	30	Buy	110214	1.03
			1.03	26-Apr-2019	-30	Sell	110184	1.03
			1.03	03-May-2019	-30	Sell	110154	1.03
			1.02	10-May-2019	-1061	Sell	109093	1.02
			0.94	17-May-2019	-8539	Sell	100554	0.94
			0.85	14-Jun-2019	-9619	Sell	90935	0.85
			0.49	21-Jun-2019	-38650	Sell	52285	0.49
			0.40	28-Jun-2019	-9435	Sell	42850	0.40
			0.24	12-Jul-2019	-17150	Sell	25700	0.24
			0.24	19-Jul-2019	315	Buy	26015	0.24
			0.24	26-Jul-2019	-265	Sell	25750	0.24
			0.35	02-Aug-2019	11921	Buy	37671	0.35
			0.81	09-Aug-2019	48513	Buy	86184	0.81
			0.97	16-Aug-2019	17398	Buy	103582	0.97
			0.71	23-Aug-2019	-27693	Sell	75889	0.71
			1.13	30-Aug-2019	45543	Buy	121432	1.13
			1.16	06-Sep-2019	2509	Buy	123941	1.16
			0.92	13-Sep-2019	-25739	Sell	98202	0.92
			0.91	18-Sep-2019	-454	Sell	97748	0.91
			0.42	25-Sep-2019	-52336	Sell	45412	0.42
			0.43	11-Oct-2019	220	Buy	45632	0.43
			0.43	18-Oct-2019	560	Buy	46192	0.43
	0.41	25-Oct-2019	-2173	Sell	44019	0.41		
	0.42	01-Nov-2019	410	Buy	44429	0.42		
	0.41	08-Nov-2019	-810	Sell	43619	0.41		
	0.43	15-Nov-2019	2548	Buy	46167	0.43		
	0.40	22-Nov-2019	-3198	Sell	42969	0.40		
	0.40	29-Nov-2019	-50	Sell	42919	0.40		
	0.39	06-Dec-2019	-743	Sell	42176	0.39		
	0.39	13-Dec-2019	-50	Sell	42126	0.39		
	0.40	20-Dec-2019	456	Buy	42582	0.40		
	0.39	27-Dec-2019	-370	Sell	42212	0.39		
	0.40	31-Dec-2019	300	Buy	42512	0.40		
	0.40	03-Jan-2020	-210	Sell	42302	0.40		
	0.75	10-Jan-2020	37826	Buy	80128	0.75		
	0.25	17-Jan-2020	-53306	Sell	26822	0.25		
	0.13	24-Jan-2020	-12535	Sell	14287	0.13		
	0.09	31-Jan-2020	-4329	Sell	9958	0.09		
	0.09	07-Feb-2020	-770	Sell	9188	0.09		



SR No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
			0.09	14-Feb-2020	-5	Sell	9183	0.09
			0.09	21-Feb-2020	15	Buy	9198	0.09
			0.20	28-Feb-2020	11850	Buy	21048	0.20
			0.29	06-Mar-2020	10447	Buy	31495	0.29
			0.09	13-Mar-2020	-21712	Sell	9783	0.09
			0.09	20-Mar-2020	-235	Sell	9548	0.09
			0.09	27-Mar-2020	-65	Sell	9483	0.09
5	DAYAL TAHILRAM PARWANI	9483	0.09	31-Mar-2020	0		9483	0.09
		0	0.00	30-Mar-2019		Sell	0	0.00
			0.31	12-Jul-2019	33355	Buy	33355	0.31
			0.45	19-Jul-2019	15000	Buy	48355	0.45
			0.94	26-Jul-2019	52351	Buy	100706	0.94
			0.94	02-Aug-2019	200	Buy	100906	0.94
			0.95	11-Oct-2019	700	Buy	101606	0.95
			0.96	18-Oct-2019	1497	Buy	103103	0.96
6	VIMAL SAGARMAL JAIN		0.96	29-Nov-2019	-500	Sell	102603	0.96
		102603	0.96	31-Mar-2020	0		102603	0.96
6	VIMAL SAGARMAL JAIN	83500	0.78	30-Mar-2019	0		83500	0.78
			1.69	05-Apr-2019	97500	Buy	181000	1.69
7	SHEELA VIMAL JAIN	181000	1.69	31-Mar-2020	0		181000	1.69
		90500	0.85	30-Mar-2019	0		90500	0.85
7	SHEELA VIMAL JAIN	90500	0.85	31-Mar-2020	0		90500	0.85
		90000	0.84	30-Mar-2019	0		90000	0.84
8	AVR TRENDS INTERNATIONAL PVT LTD	90000	0.84	31-Mar-2020	0		90000	0.84
		90000	0.84	31-Mar-2020	0		90000	0.84
9	VIMAL SAGARMAL JAIN	132000	1.23	30-Mar-2019	0		132000	1.23
			0.49	05-Apr-2019	-79500	Sell	52500	0.49
			0.47	21-Jun-2019	-2156	Sell	50344	0.47
			0.46	28-Jun-2019	-1478	Sell	48866	0.46
			0.44	05-Jul-2019	-1868	Sell	46998	0.44
			0.44	12-Jul-2019	-226	Sell	46772	0.44
			0.36	09-Aug-2019	-8772	Sell	38000	0.36
			0.35	16-Aug-2019	-632	Sell	37368	0.35
			0.35	23-Aug-2019	-313	Sell	37055	0.35
			0.34	30-Aug-2019	-488	Sell	36567	0.34
			0.33	06-Sep-2019	-846	Sell	35721	0.33
			0.23	14-Feb-2020	-10996	Sell	24725	0.23
			0.22	13-Mar-2020	-1482	Sell	23243	0.22
10	SAIMALI NATH	23243	0.22	31-Mar-2020	0		23243	0.22
		0	0.00	30-Mar-2019		Sell	0	0.00
			0.03	08-Nov-2019	3000	Buy	3000	0.03
			0.13	15-Nov-2019	10804	Buy	13804	0.13
			0.24	22-Nov-2019	11696	Buy	25500	0.24
			0.27	29-Nov-2019	3001	Buy	28501	0.27
			0.30	06-Dec-2019	4000	Buy	32501	0.30
			0.45	10-Jan-2020	15500	Buy	48001	0.45
			0.46	17-Jan-2020	1500	Buy	49501	0.46
			0.58	24-Jan-2020	12500	Buy	62001	0.58
			0.68	31-Jan-2020	10995	Buy	72996	0.68
			0.68	07-Feb-2020	5	Buy	73001	0.68
			0.69	06-Mar-2020	550	Buy	73551	0.69
11	PRAMOD GUPTA HUF		0.72	13-Mar-2020	3445	Buy	76996	0.72
			0.72	20-Mar-2020	4	Buy	77000	0.72
11	PRAMOD GUPTA HUF	77000	0.72	31-Mar-2020	0		77000	0.72
		68989	0.64	30-Mar-2019	0		68989	0.64
11	PRAMOD GUPTA HUF	68989	0.64	31-Mar-2020	0		68989	0.64

v). Shareholding of Directors and Key Managerial Personnel (KMPs)

S. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>A</b>	<b>Directors:</b>				
1	Ajay Kumar Bansal	1520677	14.21%	1530677	14.00%
3	Anish Bansal	767600	7.17%	1066600	9.76%
<b>B</b>	<b>Key Managerial Personnel</b>				
1	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakh)

Particulars	Secured Loans excluding Deposits	Deposits Unsecured	Loans Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18755.41	251.99	-	19007.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	94.72	-	-	94.72
<b>Total (i+ii+iii)</b>	<b>18850.13</b>	<b>251.99</b>	<b>-</b>	<b>19102.12</b>
<b>Change in Indebtedness during the financial year</b>				
Net Change	4638.75	377.24	-	5015.99
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount as on 31.03.2020	23416.15	629.23	-	24045.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due as on 31.03.2020	72.73	-	-	72.73
<b>Total (i+ii+iii)</b>	<b>23488.88</b>	<b>629.23</b>	<b>-</b>	<b>24118.11</b>

VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Mr. Ajay Kumar Bansal (MD)	Mr. Anish Bansal (WTD)
1	Gross Salary	96.00	60.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	96.00	60.00
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	-	-
	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	96.00	60.00
	Ceiling as per the Act	The Managerial Remuneration is within the limit, as prescribed under the Companies Act,2013	



**B. Remuneration to other directors**

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Ms. Tanvi Kumar	Mr. P.K. Saxena	Mr. Vivek Goyal	Mr. Ajay Sahay*	Mrs. Neerja Kumar	
1.	<b>Independent Directors</b> Fee for attending Board Committee Meetings Remuneration by way of Commission Others, please specify <b>(1)</b>	30000	120000	120000	60000	30000	360000
		-	-	-	-	-	-
		-	-	-	-	-	-
2.	Other Non- Executive Directors Fee for attending Board Committee Meetings Commission Others, please specify <b>(2)</b>	-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
	Total B = (1+2)	30000	120000	120000	60000	30000	360000
	Total Managerial Remuneration (A+B)	<b>30000</b>	<b>120000</b>	<b>120000</b>	<b>60000</b>	<b>30000</b>	<b>360000</b>

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD**

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	18.0	6.00	24.00
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit	-	-	
	others, specify	-	-	
5	Others, please specify	-	-	
	<b>Total (A)</b>	<b>18.0</b>	<b>6.00</b>	<b>24.00</b>

**V. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act/ SEBI LoDR, 2015	Brief Description	Details of Penalty/ Punishment/ Compounding fees Imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give details)					
<b>A. Company</b>										
Penalty	SEBI/HO/CFD/DIL2/CIR/P/2019/94	fine imposed under SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August, 2019 for not filing the trading approval within 7 days of listing approval	10,38,400	NSE	Yes, the Company has decided to approach Hon'ble SAT against the fine imposed					
Punishment										
Compounding										
<b>B. Directors</b>										
Penalty										
Punishment										
Compounding										
<b>C. Other officers in default</b>										
Penalty										
Punishment										
Compounding										



**MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

To,  
The Members, Hi-Tech Pipes Ltd.  
(L27202DL1985PLC019750) 505, Pearl Omaxe Tower,  
Netaji Subhash Place, Pitampura New Delhi -110034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hi-Tech Pipes Ltd. (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, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, 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, 2020, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, 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 maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) 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;
- (5) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, [herein after referred to as SEBI (LODR), 2015].
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (6) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management:
  - i. Applicable Labour Laws
  - ii. Applicable direct and indirect tax laws
  - iii. Prevention of Money Laundering Act 2002
  - iv. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and
  - v. Forest (Conservation) Act, 1980
  - vi. Regulations & Guidelines issued by Ministry of Environment, Forest and Climate Change, Government of India
  - vii. Regulations & Guidelines issued by Ministry of Water Resources, Government of India
  - viii. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
  - ix. The Air (Prevention and Control of Pollution) Act 1981 and rules made thereunder
  - x. Environment (Protection) Act, 1986 and rules made thereunder
  - xi. Guidelines issue by National Green Tribunal.



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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 there were no specific events/ actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc except to the following:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.
1.	National Stock Exchange of India Limited	The Application for Trading Approval shall be made within 7 days from the date of grant of listing approval by Stock Exchange(s) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI Circular No. SEBI/HO/ CFD/ DIL2/ CIR/ P/ 2019/ 94 dated 19 <sup>th</sup> August, 2019 and the Company had made the due Compliances on 15 <sup>th</sup> November, 2019 by delay of 22 days.	National Stock Exchange of India Limited vide letter dated 18 <sup>th</sup> November, 2019, has imposed a fine of Rs. 10,38,400/- (including GST) on the Company.

We further report that during the audit period the company has: 1. made conversion of Warrants as follows:

S. No.	No. of Warrants	Date of Board Meeting
1.	100000	16 <sup>th</sup> September, 2019
2.	125000	25 <sup>th</sup> September, 2019

For NSP & Associates Company Secretaries

Sd/-

(Proprietor)

UDIN: F009028B000369542 FCS No.: 9028 C P No.: 10937 Place: New Delhi Date: 27<sup>th</sup> June, 2020

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

To,  
The Members,  
Hi-Tech Pipes Ltd.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records 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 processes 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 processes 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 and we have reported on the basis of unsigned and unaudited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2020.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For NSP & Associates, Company Secretaries

Sd/-  
(Proprietor)

UDIN: F009028B000369542 FCS No.: 9028 C P No.: 10937 Place: New Delhi Date: 27\* June, 2020

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013] FOR THE FINANCIAL YEAR 2018-19

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

**Terms of reference of the CSR Committee:**

- o To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- o To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- o To monitor the Corporate Social Responsibility Policy of the company from time to time.
- o Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company. The Web link for the same is:

[http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/CSR\\_Policy.pdf](http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/CSR_Policy.pdf)

2. Average Net Profit of the Company for the last Three Financial Year: Rs. 28.63Cr.
3. Prescribed CSR Expenditure (Two percent of the Average Net Profit as in item 3): Rs. 57.27 lakhs
4. Details of the amount spent for the financial year: Rs. 22.92 Lakhs

5. **Composition of CSR Committee**

Name of the Director	Status	Nature of Directorship
Mr. Anish Bansal	Chairman	Whole Time Director
Mrs. Neerja Kumar	Member	Non-Executive Independent Director
Mr. Ajay Kumar Bansal	Member	Managing Director

**Manner in which the amount spent during the financial year is detailed below:**

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Enhancement of Roof Top Solar System	ENSURING ENVIRONMENTAL SUSTAINABILITY Covered under Schedule VII (vii)	Sanand, Gujarat, Hindupur, Andhra Pradesh	91.80	22.92	91.80	Direct



6. In case the Company failed to spend Two Percent of the average Net Profit of Last three financial Years or any part thereof, the company shall provide the reason for not spending the Amount in its Board Report: The Company has allocated a budget of Rs. 91.80 lakhs for the Roof Top Solar System which is covered under ensuring environment Sustainability. As per the terms of understanding and schedules of payment Rs. 68.88 lakhs could not be spent during the financial year 2019-20. However, the unspent amount will be spent in FY in 2020-21.
7. Responsibility Statement  
The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Anish Bansal**  
Chairman of CSR Committee

**Ajay Kumar Bansal**  
Member of CSR Committee

**Neerja Kumar**  
Independent Director

**ANNEXURE-5**

**Disclosures pertaining to remuneration and other details are required under Section 197(12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

- A.** The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non -Executive Directors	Ratio to Median Re- muneration
Ms. Tanvi Kumar	N.A.
Mr. P.K. Saxena	N.A.
Mr. Vivek Goyal	N.A.
Mr. Ajay Sahay	N.A.

Executive Director	Ratio to Median Re- muneration
Mr. Ajay Kumar Bansal	45.6:1
Mr. Anish Bansal	28.5:1

- B.** The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	%increase in remuneration in the financial year
Mr. Ajay Kumar Bansal	60%
Mr. Anish Bansal Whole Time Director & Chief Financial Officer*	66.6%
Ms. Tanvi Kumar	N.A.
Mr. P.K. Saxena	N.A.
Mr. Vivek Goyal	N.A.
Mr. Ajay Sahay	N.A.
Mr. Arvind Kumar Bansal as Chief Financial Officer	N.A.
Mr. Arun Kumar Company Secretary	N.A.

- C.** The percentage increase in median remuneration of employees in the financial year: 8%
- D.** The number of permanent employees on the rolls of the Company: 475
- E.** 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 annual increase was: 8%**

Increase in the managerial remuneration for the year was: Nil

- F.** affirmation that the remuneration is as per the remuneration policy of the company-Yes
- G.** the names of the top ten employees in terms of remuneration drawn and the name of every employee, who-
- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh rupees] - NIL
  - if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; - NIL
  - if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. - NIL
  - The Statement containing the particulars of Employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is given at link of website. <http://www.hitechpipes.in/pdf/Corporate%20announcements/MISCELLANEOUS/Top-Ten-Employees.pdf>

**Disclosure pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (Chapter IX) for Conversation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows: The Company remains conscious of the environmental impact of its business and has improved its energy efficiency through various initiatives that helped the Company in reducing energy cost.

**A. Conservation of Energy:**

- i) The steps taken or impact on conservation of energy

Using 100% CNG by GAIL (Environment friendly). Shifted from DC Drives to AC Drives which saves 20% energy.

- ii) The steps taken by the Company for utilizing alternate sources of energy:

The Company had installed Rooftop Solar Project at Sanand (Gujarat) and Hindupur (Andhra Pradesh).

Sanand, Gujarat

This Solar project has a capacity of 360 kWp and can save significant money and energy while also protecting the environment.

In line to this the Company is extending the existing capacity of 360 kWp by 70 kWp.

Hindupur, Andhra Pradesh

This Solar project has a capacity of 400 kWp and can save significant money and energy while also protecting the environment.

In line to this the Company is extending the existing capacity of 400 kWp by 200 kWp.

The estimated amount of reduction in the Carbon Footprint will be by 1470 tonnes (approx.) by reducing the emission of Carbon dioxide into the atmosphere. We also envisage significant Energy Cost savings.

- iii) The capital investment on energy conservation equipments - NIL

**B. Technology Absorption:**

**i) Efforts made towards Technology Absorption:**

The technology used by the Company is updated as a continuous exercise. The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products.

**ii) Benefits derived as a result of the above efforts:**

All the products of the company have a high level of technology. The manufacturing processes are also technology intensive. These are being constantly updated. Technology Development Plans of the Company have resulted in reducing the cost of production and also provided flexibility in manufacturing.

**iii) Particulars relating to imported technology:**

NIL

**iv) The expenditure incurred on Research and Development:**

NIL

Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products to trap the market throughout the year.

**C. Foreign Exchange Earning and Out Go:**

The Detail with regard to foreign exchange earnings and out go are as under:

(Rs. In lakh)

S.No	Particulars	Current Year	Previous Year
1.	Earnings in Foreign Currency	Nil	Nil
2.	Expenditure in Foreign Currency	63.50	92.83

# CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance in compliance with Regulation 34(3) read with part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Good governance practices stem from the dynamic culture and positive mindset of the organization. At Hi-Tech Pipes, we consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

As a Company with a strong sense of values and commitment, at Hi-Tech Pipes we believe that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This translates into the philosophy of Corporate Governance. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

At Hi-tech Pipes, good Corporate Governance is a way of life and the way we do our business, encompassing everyday activities and is enshrined as a part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. The Company's philosophy on Corporate Governance lays strong emphasis on the commitment to disclose timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure. The philosophy is manifested in its operations through exemplary standards of ethical behaviour, both within the organization as well as in external relationships.

## 2. BOARD OF DIRECTORS

The Company recognizes and embraces the importance of a diverse Board in its success and it believes that a truly diverse Board would leverage differences in thought, perspective, knowledge, skill and industry experience, which will enrich Board discussions and enable effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses.

The Board effectively separates the functions of governance and management and balances deliverables. The composition and size of the Board is reviewed periodically to ensure that the Board is a wholesome blend of Directors with complementary skill-sets. The Board periodically evaluates the need for change in its size and composition.

### A) COMPOSITION

As on the date of this Report, the Board of Directors has an optimum combination of Executive, Non-Executive & Independent Directors including Women Directors. The Strength of the Board comprises of Six (6) Directors, out of which Two (2) are Executive Directors viz. Mr. Ajay Kumar Bansal, Mr. Anish Bansal. The other Four (4) are Non-Executive and Independent Directors viz. Mr. Vivek Goyal, Mr. Prashant Kumar Saxena, Ms. Tanvi Kumar and Mrs. Neerja Kumar.

The Board of the company consists of eminent individuals from diverse fields. The Board acts with autonomy and independency in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure.



## B) BOARD MEETINGS

During the Financial Year ended March 31, 2020, Four (4) Meetings of the Board of Directors were held. The Meetings were held on 22.05.2019, 13.08.2019, 14.11.2019 and 22.01.2020.

**The Company held four Board Meetings in the year and the gap between two Board Meetings was in compliance with the provisions contained in the act and in the Listing Regulations.**

Name of the Director	Category	No. Of Board Meeting attended during the year 2019-20	Attendance at the last AGM held on September 25, 2019	No. of Directorship of Companies (Including Hi-Tech Pipes Limited) as on March 31, 2020			No. of other Board Committees (Including Hi-Tech Pipes Limited) in which a Director is a Member or Chairperson as on March 31, 2020	
				Public	Private	Sec. 8 Co.	Chairman	Member
Mr. Ajay Kumar Bansal	Promoter/ Executive Director	4	Yes	1	8	Nil	Nil	1
Mr. Anish Bansal	Promoter/ Executive Director	4	Yes	1	3	Nil	Nil	1
Ms. Tanvi Kumar	Non Executive Independent Director	3	No	1	2	Nil	Nil	Nil
Mr. Prashant Kumar Saxena	Non Executive Independent Director	4	No	1	Nil	Nil	Nil	1
Mr. Vivek Goyal	Non Executive Independent Director	4	Yes	1	Nil	Nil	2	2
Mr. Ajay Sahay*	Non Executive Independent Director	2	Yes	1	Nil	Nil	NA	NA
Mrs. Neerja Kumar**	Non Executive Independent Director	1	NA	1	Nil	Nil	Nil	1

\*Due to the personal commitments as reallocating out of country for a longer period Mr. Ajay Sahay has resigned from the office of the Directorship w.e.f. 12th October, 2019. Further the Company has received the confirmation as per clause 78 Part A of Schedule 3 of SEBI (LoDR) Regulations, 2015 that there is not any other material reason other than defined above for resignation.

\*\* Mrs. Neerja Kumar was appointed on 22nd January, 2020

### Notes:

1. The Directorship/ Committee membership is based on the disclosures received from the Directors and excludes foreign companies. Further, membership of only Audit and Shareholder's/ Investors' Grievance Committees are indicated.
2. Neither of the Directors is a member of the Board of more than 10 public companies in terms of section 165 of the Companies Act, 2013 nor is a Member of more than 10 Committees and Chairman of more than 5 committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015.
3. Only Executive Directors viz. Mr. Ajay Kumar Bansal and Mr. Anish Bansal are inter-se related as Father and Son.



## BOARD PROCEDURES AND FLOW OF INFORMATION

The dates of Board meetings are decided well in advance and are published herein above. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings, when it may not be possible for them to be physically present for the meeting.

The Board meets at least once in a quarter to, inter alia, review quarterly standalone and consolidated financial results/statements, compliance report(s) of all laws applicable to the Company, regulatory developments, minutes of the Board Meetings of subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, presentations on Environment Health & Safety (EHS) initiatives or any other proposal from the management, etc.

## AVAILABILITY OF INFORMATION TO THE BOARD

The Chairman of the Board and the Company Secretary determine the Agenda for every meeting along with explanatory notes. The Board has unrestricted access to all Company-related information. The Agenda for the meetings is circulated well in advance to the Directors to ensure that sufficient time is provided to Directors to prepare for the meeting. With a view to ensure high standards of confidentiality of Board papers and reduce paper consumption, the Company circulates to its Directors, notes for Board/Committee meetings through a secure and encrypted electronic platform.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The Members of the Executive Committee of the Company are invited to attend meetings of the Board and make presentations to the Board on matters including but not limited to the Company's performance, strategic plans, quarterly and annual financial results, compliance reports, etc.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their

comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

## INDEPENDENT DIRECTORS

- i) Ms. Tanvi Kumar is a Partner in the Corporate and Commercial practice group in a leading Law firm Khaitan & Co. She specializes in mergers and acquisitions, joint ventures, inbound and outbound investment from India across a broad spectrum of sectors including information technology, manufacturing, hospitality and leisure and consumer goods.

### Directorship of the Companies

Sl No.	Name of the Company	Position
1.	Hi-Tech Pipes Limited	Director
2.	Prime Hiring India Private Limited	Director
3.	Prosegur Cit Integral Systems India private Limited	Director

- ii) **Mr. Prashant Kumar Saxena** has done Masters in Physics, Finance and also a Certified Associate of Indian Institute of Bankers (CAIIB). He is honourably retired as DGM from Punjab National Bank. He is having approximately three (3) decades of experience in the field of Bank Management, Product Enrichment, Distribution to derive /Maximize Profit, Operational Control: Credit Management, Business Analysis, Pre-sanction/Post- sanction follow up, Data Analytics, Foreign Exchange Loan syndication, All banking aspects, NPA/ Recovery Management, monitoring / follow up with SMA accounts.



#### Directorship of the Companies

Sl No.	Name of the Company	Position
1.	Hi-Tech Pipes Limited	Director

- iii) **Mr. Vivek Goyal** has done his Graduation in Commerce from Punjab University, Patiala, Masters in Finance & Control and became a member of The Institute of Chartered Accountant of India in 1995 and also done various certification courses on concurrent audit of Banks from ICAI. Mr. Goyal is Senior Partner in M/s Vivek Prem & Associates a well known Chandigarh based firm. Mr. Goyal has more than two decades of experience serving large and mid-sized clients in several sectors in area of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring Initiatives.

#### Directorship of the Companies

Sl No.	Name of the Company	Position
1.	Hi-Tech Pipes Limited	Director

- iv) **Mrs. Neerja Kumar** did her Post Graduation in MSc MPhil (Botany). She has retired as General Manager-(MSME) Punjab National Bank in Dec 2018. Mrs. Kumar started her career as Management Trainee with Punjab National Bank. She is having almost FOUR decades of experience in PNB Bank in various disciplines and has rich experience in Bank Management as handling a number of bank branches across India as Branch Head Planning for growth and development of bank to maximize Profits. Provide the best of services to clients. She handled special focus branches of Retail loans, MSME loans and International banking branches as branch head. She worked as Deputy General Manager in Mumbai handling HR, Planning and development, Credit, Inspection and audit, IT and other areas of banking of Maharashtra and Gujarat and also worked as Circle Head Jhansi controlling more than 65 branches of Bundelkand UP..

#### Directorship of the Companies

Sl No.	Name of the Company	Position
1.	Hi-Tech Pipes Limited	Director

### 3. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, Independent Directors met on 22nd January, 2020, inter alia, to:

1. Review & assess the performance of Non Independent Directors and the Board of Directors as a whole and Committee thereof;
2. Review & assess the performance of the Chairperson of the Company and Committee(s), taking into account the views of the Executive and Non-Executive Directors;
3. Review and assess the quality, quantity and timeliness of flow of information between the management and the Board/Committee(s) that is necessary for the Board/Committee(s) to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

#### 4. Web link where details of familiarisation programmes imparted to Independent Directors is disclosed

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time.

The details regarding Independent Directors' Familiarisation Programmes are given under the "Corporate Announcement" section on the website of the Company and can be accessed at <http://www.hitechpipes.in/pdf/Corporate%20announcements/MISCELLANEOUS/familiarisation-programme.pdf>

5. Skills/ Expertise/ Competence of the Board of Directors including the areas as identified by



the Board in the Context of the Company's Business:

The Company is in the Steel Sector, the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- ↑ Financial and business acumen;
- ↑ Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- ↑ Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- ↑ Management and strategy of the Information Technology function; and
- ↑ Human Resources Management.

#### EXPERTISE/ SKILLS OF DIRECTORS

S. No.	Name of the Director	Expertise/ Skill
1.	Mr. Ajay Kumar Bansal	Strategic Marketing, Brand transformation and Finance, Technical planning, Business development, spearheading new projects.
2.	Mr. Anish Bansal	Finance and allied fields, standardization of systems and processes across the organization, Technology matters and Business Administration.
3.	Mr. Vivek Goyal	Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring Initiatives
4.	Mr. P.K. Saxena	Bank Management, Product Enrichment, Distribution to derive /Maximize Profit, Operational Control: Credit Management, Business Analysis

S. No.	Name of the Director	Expertise/ Skill
5.	Ms. Tanvi Kumar	Corporate Litigations, Mergers & Amalgamations, Joint Venture, Inbound/ Outbound Transactions
6.	Mrs. Neerja Kumar	HR, Planning and development, Credit, Inspection and audit, IT and other areas of Banking

6. Confirmation that in the opinion of the Board the Independent Directors fulfill the conditions specified in these Regulations and are Independent of the Management:

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2020-21, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in these Regulations and are independent of the management.

#### 4. COMMITTEES OF THE BOARD

##### A. AUDIT COMMITTEE

###### i. Composition

**The Committee comprises of Two (2) Non- Executive Independent Directors and One (1) Executive Director viz.**

- a) Mr. Vivek Goyal (Non- Executive Independent Director, Chairman)
- b) Mr. P.K. Saxena (Non- Executive Independent Director)
- c) Mr. Anish Bansal (Whole-Time Executive Director)

The current constitution meets the requirement of the provision of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

###### ii. Powers of the Audit Committee:

- ↑ Investigating any activity within its terms of reference;



- ↑ Seeking information from any employee;
- ↑ Obtaining outside legal or other professional advice; and
- ↑ Securing attendance of outsiders with relevant expertise, if it considers necessary.

iii. **Role of the audit committee:**

- ↑ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ↑ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- ↑ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ↑ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.

- Qualifications in the draft audit report.

- ↑ Reviewing, with the management, the quarter ended and annual financial statements before submission to the board for approval.
- ↑ 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ↑ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- ↑ 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.
- ↑ Discussion with internal auditors on any significant findings and follow up there on.
- ↑ 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.
- ↑ 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.
- ↑ To look into the reasons for substantial defaults in the payment

to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

- ↑ To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- ↑ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- ↑ To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- ↑ In terms of the Prohibition of Insider Trading Policy adopted by the Company, the Committees shall consider the following:
  - To approve policies in relation to the implementation of the Insider Trading code and to supervise implementation of Insider trading Code.
  - To note and take on record the status reports dealing the dealings by designated PERSONS IN Securities of the Company, as submitted by the Compliance officer on Quarterly basis.
  - To provide directions on any penal actions to be initiated, in case of any violation of the Regulations by any person

**iv. Meeting and Attendance during the Year**

**During the Financial Year ended on March 31, 2020 Four (4) meetings were held on 22.05.2019, 13.08.2019, 14.11.2019, and 22.01.2020**

**Details of attendance of Members at these are:**

S. No.	Name of the Member	No. of Meetings Attended
1	Mr. Vivek Goyal	4
2	Mr. P.K. Saxena	4
3	Mr. Anish Bansal	4

**B. NOMINATION AND REMUNERATION COMMITTEE**

**i. Composition**

**The Committee comprises of Three (3) Non- Executive Independent Directors and one (1) Executive Directors viz.:**

- a) Mr. P.K. Saxena (Non- Executive Independent Director, Chairman)
- b) Mr. Vivek Goyal (Non- Executive Independent Director)
- c) Mrs. Neerja Kumar (Non Executive Independent Director)
- d) Mr. Ajay Kumar Bansal (Executive Managing Director)

The current constitution meets the requirement of the provision of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**ii. Terms of reference**

- ↑ Recommend to the Board the setup and composition of the Board and its Committees, including the "Formulation of the criteria for determining qualifications, positive attributes and independence of a Director." The Committee will consider periodical reviewing the composition of the Board with the objectives of achieving an optimum balance of Size, Skills, independence, knowledge, age, gender and experience.
- ↑ Recommend to the Board the appointment or reappointment of Directors.
- ↑ Devise a policy on Board Diversity.

- ↑ Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
- ↑ Carry out the evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board”. Additional the Committee may also oversee the performance review process of the KMP and Executive team of the Company.
- ↑ Recommend to the Board the Remuneration policy for Directors, executive team or Key Managerial Personnel as well as the rest of the Employees.
- ↑ On an Annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- ↑ Oversee the familiarization programmes for directors.
- ↑ Oversee the Human Resource philosophy, Human Resource and people strategy and Human Resource Practices including those for Leadership development, reward and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and Executive Team).
- ↑ Provide Guidelines for remuneration of Directors on Material Subsidiaries.
- ↑ Recommend to the Board on Voting Pattern for appointment and Remuneration of Directors on the Boards of Its material Subsidiary of the Companies.
- ↑ Performing such other duties and Responsibilities as may be consistent with the provisions of the Committee charter.

iii. **Meeting and Attendance during the year**

During the Financial Year ended on March 31, 2020, Two Meetings of the Committee was held on 22.05.2019 and 22.01.2020.

**Details of the members at the meetings are:**

S. No.	Name of the Member	No. of Meetings Attended
1	Mr. Vivek Goyal	2
2	Mr. P.K. Saxena	2
4	Ms. Neerja Kumar	Nil
5	Mr. Ajay Kumar Bansal	2

iv. **Nomination and Remuneration Policy**

The Nomination and Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on periodical basis. The Remuneration Policy is in consonance with the existing Industry norms. The tenure of office of the Managing Director, Whole Time Director is for certain period from their respective dates of appointments and can be terminated by either party by giving proper notice in writing.

The policy can be accessed through <http://www.hitechpipes.in/pdf/Codes%20and%20policies%20P1/PolicyonNominationandRemunerationCommittee.pdf>

v. **Performance Evaluation**

In accordance to Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committee, Board Culture, Execution and performance of specific duties, obligations and governance. A

separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board and independent director, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguard the interest of the Company and minority shareholders etc. The performance

evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. Further, the performance evaluation of the Independent Directors was carried out by the Non Independent Directors who also reviewed the performance of Secretarial Department The Directors expressed their satisfaction with the evaluation process.

vi. **Details of Remuneration of Directors (For the Financial Year ended 31.03.2020)**

S. No.	Name of the Director	Salary and Allowances	Sitting Fees	Commission	Total
1.	Mr. Ajay Kumar Bansal	96,00,000	-	-	96,00,000
2.	Mr. Anish Bansal	60,00,000	-	-	60,00,000
3.	Ms. Tanvi Kumar	-	30,000	-	30,000
4.	Mr. P.K. Saxena	-	1,20,000	-	1,20,000
5.	Mr. Vivek Goyal	-	1,20,000	-	1,20,000
6.	Mr. Ajay Sahay	-	60,000	-	60,000
7.	Mrs. Neerja Kumar Aggarwal	-	30,000	-	30,000

**Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Listed entity**

None, except for the sitting fees to the Non-Executive Director

**Criteria of making payments to Non-Executive Directors**

The Non-Executive and Independent Directors are paid sitting fee within the limit permissible under the Companies Act, 2013 and rules made there under from time to time. The Independent Directors shall not be eligible to get Stock option and also shall not be eligible to participate in any share based payment schemes of the Company. Remuneration paid to the Non-Executive/Independent Director for services rendered which are professional in nature shall be not considered for the limit prescribed in Section 197 of The Companies Act, 2013

**Service Contract, Severance Fees and Notice Period**

Directors of the Company are ultimately appointed by the Shareholders upon recommendation of the Board of Directors within the framework of the Companies Act, 2013 as well as the Articles of Association of the Company and SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. Resolutions passed by these two governing bodies together with the service rules of the Company covers the terms, conditions and remuneration of such appointment. There is no service contract separately entered into by the Company with the Directors. Further, the resolutions appointing these Directors do not prescribe for the payment of any separate Severance Fees to them. However, the requirement of notice period is as per the service rules of the Company.

**Shareholding of Non-Executive Directors in the Company**

As per the declarations received from the Non-Executive Directors, none of them hold any shares or convertible instruments in the Company.

**C. STAKEHOLDER REALTIONSHIP COMMITTEE**

**i. Composition:**

**The Committee comprises of Two (2) Non-Executive Independent Directors and One (1) Executive Director viz.**

- a) Mr. Vivek Goyal (Non-Executive Independent Director, Chairman of the Committee)

- b) Mrs. Neerja Kumar (Non-Executive Independent Director)
- c) Mr. Ajay Kumar Bansal (Executive Managing Director of the Company)

**ii. Terms of References**

- Redressal of shareholders'/investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the Listing Agreement."

**iii. Meeting and Attendance during the year**

During the FY ended March 31, 2020 no Request/ Complaint was received by the Company. However two meeting was held, to review the Investor Grievance and Redressal Mechanism of the Company, on 25.05.2019 and 22.01.2020.

**iv. Name and Designation of Compliance Officer**

Mr. Arun Kumar, Company Secretary is the Compliance officer of the Company

**v. Number of Shareholders' complaint received/ resolved and pending during the year**

No Complaints were received by the Company during the year and no Complaints were pending with the Company

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**i. Composition**

**The Committee comprises of Two (2) Executive Directors and (2) Non-Executive Independent Directors viz.**

- a) Mr. Anish Bansal (Executive Whole Time Director, Chairman of the Committee)

- b) Mr. Ajay Kumar Bansal (Executive Managing Director of the Company)
- c) Mrs. Neerja Kumar (Non-Executive Independent Director of the Company)

**ii. Terms of References**

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company

**iii. Meeting and Attendance during the year**

**During the year One Meeting was held on 22.05.2019.**

S. No.	Name of the Member	No. of Meetings Attended
1	Mr. Anish Bansal	1
2	Mr. Ajay Kumar Bansal	1
3	Mrs. Neerja Kumar	Nil

**E. OTHER NON MANDATORY COMMITTEES OF THE BOARD**

The Company has following other Committees to speed up routine matters and to comply with other statutory formalities. They meet as and when required. The Company Secretary acts as Secretary of the Committee.

- i. Executive Committee of the Board
  - The role of the Executive Committee is to expeditiously
  - decide business matters of routine nature and



- Implementation of strategic decisions of the Board. The
- Committee functions within the approved framework

The Committee comprises of Two Members viz.

- Mr. Ajay Bansal (Chairman of the Committee)
- Mr. Anish Bansal

The terms of Reference of Executive Committee is available on the website of the Company viz. [www.hitechpipes.in](http://www.hitechpipes.in)

ii. Securities Allotment Committee

The Share Allotment Committee meets

regularly to consider requests of share transfer/ transmission/ transposition/ split/ consolidation/subdivision/duplicate share certificate etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship/Grievance Redressal Committee for its information and review.

The Committee Comprises of Three Members viz.

- Mr. Ajay Kumar Bansal (Chairman)
- Mr. Anish Bansal
- Mrs. Tanvi Kumar

The terms of Reference of Securities Allotment Committee is available on the website of the Company viz. [www.hitechpipes.in](http://www.hitechpipes.in)

**5. GENERAL BODY MEETINGS:**

i) Particulars of Past Three Annual General Meetings:

Year	Venue	Date, Day & Time	Special Resolution passed
2019-20	Le Pacific, Orchid Hall, 31/35 Main Rohtak Road, West Punjabi Bagh, New Delhi - 110026	25/09/2019 Wednesday 11:00 A.M.	1. To consider and approve the revision in remuneration of Sh. Ajay Kumar Bansal, Chairman and Managing Director of the company 2. To consider and approve the revision in remuneration of Sh. Anish Bansal, Whole Time Director of the company
2018-19	Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi-110026	16/07/2018 Monday 10:30 A.M.	1. To approve raising of additional capital upto an amount not exceeding by Rs. 100 cr.
2017-18	Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi-110026	25/09/2017 Monday 11:30 A.M.	1. Approval under section 180(1)(c) of The Companies Act, 2013 to borrows Money not exceeding Rs.10,00,00,00,000. (1000 Crore)

**6. POSTAL BALLOT**

On 27/01/2020. your company has taken the approval as Special Resolution for:

- Issuance of 10,00,000 fully convertible warrants on preferential basis to the persons belonging to non promoter category
- To appoint Mrs. Neerja Kumar (DIN: 08679454) as an non executive independent director in terms of section 149 of the companies act, 2013.

Mr. Arun Kumar Company Secretary & Compliance Officer of the Company conducted the postal

Ballot and Mr. Naveen Shree Practicing Company Secretary to Scrutinize the Postal Ballot Process.

- Further due to the out break of Covid-19 the pandemic resulting in Nationwide temporarily suspension of economic activities, the proposed issue of 10,00,000 fully convertible equity warrant on preferential basis to the person belonging to non-promoter category is withdrawn as the proposed allottee(s) has expressed their inability to pay the allotment money against the warrants. Therefore, Board has passed the circular resolution on 21 May, 2020 for withdrawing the issue.



### Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of CDSL. Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting. The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, [www.hitechpipes.in](http://www.hitechpipes.in), besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the register of members as on January 17, 2020 shall be eligible to participate in the e-voting.

### 7. DISCLOSURES

- i) List of related parties and materially significant related-party transactions have been given in Note no. 36 of Significant Accounting Policies and Notes on Financial statements. However, there is no materially significant related-party transaction which has potential conflict with the interests of Company at large.

- ii) Pursuant to the circular SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019, a fine of Rs. 10,38,400/- (Inclusive of GST) was imposed on the Company for the delay in the filing of Trading Approval for 2,25,000 Equity shares allotted pursuant to the Conversion of Fully Convertible Warrants. However, the Company has decided to approach Hon'ble SAT in this matter.
- iii) As per the Whistle Blower Policy of the Company every employee of the Company has an open access to the respective Functional Heads, Head HRD, Managing Director as well as Executive Chairman so as to ensure ethical and fair conduct of the business of the Company. Further no personnel have been denied access to the Audit Committee during the FY ended March 31, 2020.
- iv) The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v) The Policy on dealing with related party is available at [http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/Policy\\_on\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://hitechpipes.in/pdf/Codes%20and%20policies%20P1/Policy_on_Dealing_with_Related_Party_Transactions.pdf)

### 8. SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The investor complaints are processed in centralized web based complaints redress system. The salient features of this system are Centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and its current status.

### 9. MEANS OF COMMUNICATION

- Quarterly Results

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.

- Newspapers wherein results normally published

The quarterly, half-yearly and annual financial results are published in Business Standard in both English and Hindi Edition.

- Website, where displayed

The financial results and the official news releases are also placed on the Company's website [www.hitechpipes.in](http://www.hitechpipes.in) in the investor relations section

- Official news releases

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the investor relations section.

- Presentations made to institutional investors or to the analysts

The Company holds Conference calls to apprise and make public the information relating to the Company's working and future outlook.

## 10. GENERAL INFORMATION FOR SHAREHOLDERS

### a. Annual General Meeting

The details of Annual General Meeting is given in Notice of Annual General Meeting.

### b. Financial Calendar 2020-21 (tentative and subject to change)

First Quarterly Results	on or before August 14, 2020
Second Quarterly Results	on or before November 14, 2020
Third Quarterly Results	on or before February 14, 2021
Annual results	on or before end of May 30, 2021

### c. Date of Book Closure

The details of Book Closure are given in the Notice of Annual General Meeting.

### d. Dividend Payment Date, if declared

The Board of Directors of your Company declared a Final Dividend of Rs.0.25 Paisa i.e.2.5% per Equity Share for the Financial Year 2019-20. Payment of Dividend will be done within 30 Days from the date of approval

of Shareholders in ensuing Annual General meeting.

### e. Listing on Stock Exchange

#### Equity Shares of the Company are Listed on:

- NSE (National Stock Exchange of India Limited),

Address: NSE Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai-400051

Annual Listing Fees for the FY 2020-21 has been paid to the above Stock Exchange. The Company has also paid annual custodial fees for FY 2020-21 to National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).

### f. Stock Code

National Stock Exchange of India Limited	HITECH
International Securities Identification Number (ISIN) of Equity Shares	INE106T01017

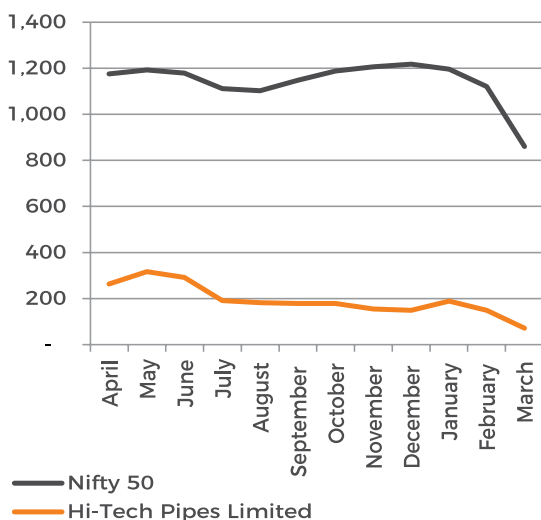
### g. Market Price Data

Monthly high and Low market price data of Equity Shares traded on stock exchange(s):

Month	HI-TECH	
	High Price (Rs.)	Low Price (Rs.)
April, 2019	284.02	216.05
May, 2019	329	285.5
June, 2019	319	268
July, 2019	294.9	166.15
August, 2019	195.5	162.8
September, 2019	195	155.05
October, 2019	186	133.75
November, 2019	184.95	132
December, 2019	155.05	128.05
January, 2020	197	140.75
February, 2020	196.95	146.1
March, 2020	162.95	65.3



### Performance in comparison to broad-based indices such as NSE Nifty.



Note: The graph indicates Monthly closing positions. NSE Nifty is indexed to 10.

#### h. Issue of warrants and Equity Shares

In previous to preceding financial year 2017-18, your Company has issued and allotted 8,00,000 Fully Convertible warrants and

Sl. No.	Name	Category	No of Warrants	Amount (In Rs.)
1.	Mr. Vipul Bansal	Promoter Category	2,25,000	2,25,00,000
2.	Mr. Neeraj Kumar Aggarwal	Non- Promoter Category	1,00,000	1,00,00,000
3.	Mr. Vipin Aggarwal	Non- Promoter Category	25,000	25,00,000
4.	Mr. Praveen Kumar Jain	Non- Promoter Category	25,000	25,00,000
<b>Total</b>			<b>3,75,000</b>	<b>3,75,00,000</b>

The proceeds of allotment of Equity Shares during the year 2019-20 were fully utilised for general corporate purpose and there are no deviations in the proceeds utilisation as mentioned in the notice of Postal Ballot dated 13th February, 2018.

#### i. CREDIT RATING

**BRICKWORKRATINGS**, the credit rating agency, has assigned the Long term credit rating **BWRA-** (Pronounced as **BWR Single A Minus**) (Outlook: Stable) and Short term credit rating have been assigned **BWRA2** (Pronounced as **BWR A TWO**).

#### j. ADDRESS FOR CORRESPONDENCE BY INVESTORS

- Registrar & Share Transfer Agent

2,00,000 Equity Shares to Promoter, Promoter Group and Non Promoter category on preferential basis at the face value of Rs. 10/- each and at a premium of Rs. 390/- each.

During the year 2019-20, 2,25,000 warrants were converted into equivalent no. of Equity Shares in following tranches:

Name of Allottees <sup>16</sup>	No. of Warrants converted into equivalent no. of shares	Date of conversion
Mr. Anish Bansal	1,00,000	16 <sup>th</sup> September, 2019
Mr. Anish Bansal	1,25,000	25 <sup>th</sup> September, 2019
<b>Total</b>	<b>2,25,000</b>	

Further, following persons belonging to the Promoter and Non-Promoter category failed to exercise their rights to convert their warrants into Equity within Eighteen Months of Allotment, Therefore, the Company had forfeited their Allotment Money:

M/s Bigshare Services Private Limited is the Registrar and Transfer Agent (RTA) of the Company in respect of the Equity shares held in Demat and Physical mode, if any. All work related to Shares Registry, both in physical and electronic form, is handled by the Company's Registrar & Share Transfer Agent. Its address is as follows:

#### M/s Bigshare Services Private Limited

**Delhi Office:** 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019  
Tel: 011-42425004, 47565852  
bssdelhi@bigshareonline.com | www.bigshareonline.com

- **Mr. Arun Kumar Company Secretary** is the Compliance Officer as per Regulation 6 of SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and Investors' complaint may also be addressed to him at the following address:

**Company Secretary**

Hi-Tech Pipes Limited  
Registered Office: 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034

Tel. +91-11-48440050

Email: cs@hitechpipes.in, info@hitechpipes.in

**k. Share Transfer System**

Trading in equity shares of the Company through recognised stock exchange can be done only in dematerialised form.

**l. Distribution of Shareholding by size as on 31.03.2020**

SR NO	SHAREHOLDING OF NOMINAL		NUMBER OF SHAREHOLDERS	% TO TOTAL	SHARES	% TO TOTAL
1	1	500	731	54.35	85946	0.79
2	501	1000	158	11.75	131705	1.21
3	1001	2000	147	10.93	225396	2.06
4	2001	3000	113	8.40	316287	2.89
5	3001	4000	43	3.20	151167	1.38
6	4001	5000	23	1.71	104662	0.96
7	5001	10000	64	4.76	476685	4.36
8	10001	9999999999	66	4.91	9434252	86.35
<b>TOTAL</b>			<b>1345</b>	<b>100.0000</b>	<b>10926100</b>	<b>100</b>

**m. Dematerialization of shares and liquidity**

The shares of the Company are tradable compulsorily in demat form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). As on March 31, 2020, 100% of the Company's total share capital was held in dematerialized form.

**n. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any ADRs, GDRs or any other convertible instruments.

**o. Plant Locations**

**The Company is having Four State of Art Manufacturing Facility at Consolidated basis viz.**

- i. Two Plant at Sikandarabad, Uttar Pradesh  
Plot No. 10, UPSIDC Sikandrabad, Bulandshahar Uttar Pradesh-203 205  
  
Plot No. 16. UPSIDC Sikandrabad, Bulandshahar Uttar Pradesh-203 205

- ii. One at Ahmedabad, Gujarat  
Plot No. E-6, GIDC BOL-II, Sanand, Ahmedabad Gujarat-382 170
- iii. One at Hindupur, Andhra Pradesh  
(A unit of HTL Metal Private limited (a wholly owned Subsidiary of Hi-Tech Pipes limited)  
  
41-B, Gollapuram Hindupur Andhra Pradesh-515 211

**p. Register Office**

The Registered Office of the Company is 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034

**11. MD/CFO CERTIFICATION**

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman and Managing Director and the Chief Financial Officer of the Company have given compliance certificate, stating therein the matter prescribed under Part B of Schedule II of the said regulations. Copy of

the Certificate is enclosed with the report.

In terms of Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman and Managing Director and CFO certified the financial results while placing the final results before the board.

## 12. PROMOTER AND CONTROLLING GROUP

The Promoter/ Promoter Group(s) of the Company are as follows:

S. No.	Name
1	Mr. Ajay Kumar Bansal
2	Mr. Anish Bansal
3	Mrs. Parveen Bansal
4	Mr. Vipul Bansal
5	Ajay Kumar & Sons HUF
6	Ms. Shweta Bansal
7	Mr. Richi Bansal
8	Mr. Naresh Kumar Bansal
9	Mr. Krati Bansal
10	Mrs. Kumud Bansal
11	M/s Hi-Tech Agrovision Private Limited
12	M/s AKS Buildcon Private Limited

## 13. OTHER REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange(s). Further, compliance of other requirements of the said regulations is provided below:

### i. Non-Executive Chairman's Office:

The Chairman of the Company is an Executive Chairman and hence this provision is not applicable.

All Independent Directors are appointed/reappointed in accordance with guidelines determined by the Board from time to time. Further, all the independent directors of the Company possess good qualifications and experience which is very useful to the Company and they contribute effectively to the Company in their capacity as Independent Directors of the Company. No maximum tenure has been specifically determined for the Independent Director

### ii. Nomination and Remuneration Committee:

The Company has formed a Nomination and Remuneration Committee. The details of Nomination and Remuneration Committee as to scope and composition are detailed out earlier in this report.

### iii. Shareholders' Rights:

According to the Applicability of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Quarterly and Annual financial results of the Company are duly published in English language in newspapers having nation- wide circulation and also in regional language newspapers of the registered office of the Company. Further, these results are also posted on the website of the Company [www.hitechpipes.in](http://www.hitechpipes.in).

### iv. Presently Mr. Ajay Kumar Bansal holds the position of Chairman and Managing Director of the Company

### v. Internal Audit

The Company has appointed M/s Goyal & Goyal Associates, Chartered Accountants as the Internal Auditor for conducting the internal audit and reports to board of directors and CFO and has direct access to the Audit Committee.

### vi. Audit Qualifications/ Remarks

There is no observation or remarks made by the Auditors.

- The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network of which the statutory auditor is a part, are as follows:-

Type of Services	Amount (Rs. in Lakhs)
Audit Fees (inclusive of tax audit)	20.25
Reimbursement of Expenses	1.06
Total	21.31

### vii. Mechanism of evaluation of Non-Executive Directors

The Board of Directors including Non-Executive Directors is cast with the

responsibility of strategic supervision of the Company. In view of the same, the Board evaluates its Non-Executive Directors on the basis of individual contribution towards fulfillment of this responsibility.

Viii. Policy On Material Subsidiary

1. The Company shall consider a subsidiary as a material subsidiary if it satisfies any of the following criteria:
  - a. the investment of the Company in the Subsidiary exceeds twenty per cent (20%) of its consolidated net worth as per the audited balance sheet of the previous financial year; or
  - b. the Subsidiary has generated twenty per cent (20%) of the consolidated income of the Company during the previous financial year.
2. The Board shall appoint one of the Independent Director of the Company as a Director on the board of directors of the Material Non-Listed Indian Subsidiary.
3. The Company shall follow such governance procedures in relation to Material Subsidiaries as may be outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act from time to time.
4. The Company shall not
  - a. dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%)/ cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; or
  - b. sell, dispose and/or lease assets

amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5. The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard.

In case of 1 (a), monitoring shall be done as and when an investment is made in any of the Subsidiary(s).

And in case of 1(b), monitoring shall be done at the time of finalizing the consolidated audited accounts.

This Policy may be amended by the Board from time to time to be in line with any amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Act and such other guidelines issued by SEBI.

**14. COMPLIANCE CERTIFICATE FROM THE SECRETARIAL AUDITORS OF THE COMPANY**

Certificate from NSP & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) and 53(f) read with part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## DECLARATION ON CODE OF CONDUCT

To  
The Members of Hi-Tech Pipes Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management 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 year ended 31 March 2020, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Ajay Kumar Bansal**

Managing Director  
DECLARATION ON CODE OF CONDUCT

New Delhi  
27 June 2020

## REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of Hi-Tech Pipes Limited  
We have examined the compliance of conditions of Corporate Governance by Hi-Tech Pipes Limited ("the Company"), for the year ended 31st March, 2020, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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

**For NSP & Associates**  
**Company Secretaries**

**Naveen Shree Pandey**  
**(Proprietor)**  
**FCS No. 9028**  
**C.P. No. 10937**  
**UDIN: F009028B000519076**  
**Place: New Delhi**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
 The Members of HI-Tech Pipes Ltd  
 (CIN: L27202DL1985PLC019750)  
 505, Pearl Omaxe Tower,  
 Netaji Subhash Place,  
 Pitampura , New Delhi - 110034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HI-Tech Pipes Ltd. having CIN: L27202DL1985PLC019750 and having registered office at 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DIN	Full Name	Designation	Date of Appointment	DIN Status
00670250	Anish Bansal	Whole-time Director	19/02/2009	Approved
01070123	Ajay Kumar Bansal	Managing Director	02/01/1985	Approved
01183098	Vivek Goyal	Director	30/01/2018	Approved
06413301	Tanvi Kumar	Director	20/03/2015	Director of ACTIVE non-compliant company
08058166	Prashant Kumar Saxena	Director	30/01/2018	Approved
08679454	Neerja Kumar	Director	22/01/2020	Approved

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

**Naveen Shree Pandey**  
 Membership No.: FCS-9028  
 CP No.: 10937  
 UDIN: F009028B000519065



## CEO'S/CFO'S CERTIFICATE

### The Board of Directors

#### Hi Tech Pipes Limited

We certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. 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, wherever applicable, 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.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year 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 involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Hi-Tech Pipes Limited

**Ajay Kumar Bansal**  
Chairman and Managing Director

**Arvind Bansal**  
CFO

Date: 27 June, 2020  
Place: New Delhi



# **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF HI-TECH PIPES LIMITED

### REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying consolidated Ind AS financial statements of HI-TECH PIPES Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/ loss, comprising the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the

Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. In determining the key audit matters and procedures performed as described below, we have considered reports of other auditors on separate Ind AS financial statements including deliverables given by them as part of group audit instructions sent to them.

#### 1. Inventory Existence and Valuation

##### Description of Key audit matter

Inventory is held in various locations by the Group. There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse & numerous inventory products, multiple storage locations and price fluctuations of products. Accordingly inventory quantities and valuation is identified as a key audit Matter.

##### Description of Auditor's Response

We have performed the following procedures:

- ↑ Reviewed the internal audit report regarding physical verification of inventories and traced adjustments on sample basis made on basis

of such report to the books of accounts.

- ↑ Comparative analysis of inventory as at the end of the year with the inventory at the beginning of the year.
- ↑ We assessed whether the management's controls relating to inventory's valuation are appropriately designed and implemented.
- ↑ Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.

**Modified Audit Procedures carried out in light of COVID-19 outbreak:**

Due to COVID-19 pandemic, Nationwide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches/LHOS/ Business Units in the Corporate Office of the Company.

As we could not gather audit evidence in person/ physically through discussion and personal interactions with the officials at the Branches/Circle Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.

Accordingly, our audit procedures were modified to carry out the audit remotely.

**How the matter was addressed in our audit**

Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.

Wherever physical access was not possible, necessary records/reports/ documents/ certificates were made available to us by the Company through digital medium, emails and remote access and other relevant application software. To this extent, the audit process was carried out on the basis of such documents,

reports and records made available to us why were relied upon as audit evidence for conducting the audit and reporting for the current period.

Accordingly, we modified our audit procedures as follows:

- a) Conducted verification of necessary records/ documents and other Application software electronically through remote access/emails in respect of some of the Administrative Offices and other offices of the Company wherever physical access was not possible.
- b) Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.
- c) Making enquiries and gathering necessary audit evidence through Video Conferencing, Dialogues and discussions over phone calls/conference calls, emails and similar communication channels.
- d) Resolution of our audit observations telephonically through email instead of a face-to-face interaction with the designated officials.

**Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS 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 CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 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 Holding Company and its subsidiaries, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements 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 ability of the Group 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 consolidated Ind AS 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 Group to cease to continue as a going concern.
- ↑ Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors

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 consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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**

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March 2020 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 and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the holding company to its directors during the year is in

accordance with the provisions of Section 197 of the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements of the company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements.
  - ii. The Group did not have any long term contracts include derivative contracts. Hence the question of any foreseeable losses does not arise.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

**For A. N. GARG & COMPANY**

Chartered Accountants  
FRN- 004616N

**A. N. GARG**

(FCA, Partner)  
M.No.-083687  
Place: NEW DELHI  
Date: 27.06.2020  
UDIN: 20083687AAAADR8309



### To the Independent Auditor's Report

**(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

### To the Members of Hi-Tech Pipes Limited

In conjunction with our audit of the consolidated Ind AS financial statements of the Hi-Tech Pipes Limited ("Company" or "Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding 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 the respective 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 Group's internal financial controls with reference to financial statements of Holding Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control with reference to 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 Group's internal financial control with reference to 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 Group; (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 Group are being made only in accordance with authorizations of management and directors of respective companies in the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

#### **For A. N. GARG & COMPANY**

Chartered Accountants  
FRN- 004616N

#### **A. N. GARG**

(FCA, Partner)  
M.No.-083687  
Place: NEW DELHI  
Date: 27.06.2020  
UDIN: 20083687AAAADR8309

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31st, 2020

DESCRIPTION	Note No.	(Rs in Lacs)	
		Year Ended 31.03.2020	Year Ended 31.03.2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipments	2	17,297.29	16910.97
(b) Capital Work-in-Progress	3	2,939.61	369.09
(c) Other Intangible assets	4	4.75	8.25
(d) Financial Assets			
(i) Investments	5	0.03	0.03
(ii) Loans	6	361.24	286.75
(e) non-current assets	7	299.01	160.91
<b>Total Non-Current Asset</b>		<b>20,901.93</b>	<b>17736.00</b>
<b>Current Assets</b>			
(a) Inventories	8	17,877.14	15122.72
(b) Financial Assets			
(i) Trade receivables	9	13,727.65	13739.85
(ii) Cash and cash equivalents	10	72.50	83.91
(iii) Bank balances	11	1,804.63	1517.38
(c) Other current assets	12	2,391.54	2315.22
<b>Total Current Assets</b>		<b>35,873.46</b>	<b>32779.09</b>
<b>Total Assets</b>		<b>56,775.39</b>	<b>50515.09</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders Funds</b>			
(a) Equity Share Capital	13	1,092.61	1070.11
(b) Other Equity	14	16,267.65	13608.09
<b>Total Equity</b>		<b>17,360.26</b>	<b>14678.20</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	8,896.72	7170.07
(ii) Other financial liabilities	16	81.87	94.79
(b) Provisions	17	97.45	63.80
(c) Deferred tax liabilities (Net)	18	1,188.97	1141.78
<b>Total Non-Current Liabilities</b>		<b>10,265.02</b>	<b>8470.45</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	19	20,651.10	18654.31
(ii) Trade payables	20	5,605.96	5912.33
(iii) Other financial liabilities	21	1,733.23	1477.42
(b) Other current liabilities	22	539.71	511.11
(c) Provisions	23	539.59	378.12
(d) Current Tax Liabilities (Net)		80.52	433.16
<b>Total Current Liabilities</b>		<b>29,150.11</b>	<b>27366.45</b>
<b>Total Liabilities</b>		<b>39,415.13</b>	<b>35836.89</b>
<b>Total Equity &amp; Liabilities</b>		<b>56,775.39</b>	<b>50515.09</b>

See the accompanying notes to the standalone financial statements

As per our report of even date

**For A.N. GARG & COMPANY**

Chartered Accountants  
FRN - 004616N

**A.N. GARG**

(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th, 2020

For and on behalf of Board of Directors

**Ajay Kumar Bansal**

Managing Director  
DIN : 01070123

**Arvind Bansal**

Chief Financial Officer

**Anish Bansal**

Director  
DIN : 00670250

**Arun Kumar**

Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No	(Rs in Lacs)	
		Year ended 31.03.2020	Year ended 31.03.2019
<b>I</b> Revenue from operations	24	120,961.50	136,042.24
<b>II</b> Other income	25	124.99	138.09
<b>III Total income (I + II)</b>		<b>121,086.49</b>	<b>136,180.33</b>
<b>IV Expenses:</b>			
Cost of materials consumed	26	110,293.31	120,028.28
Purchases of stock-in-trade		1,240.30	2,881.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(1,989.00)	729.34
Employee benefits expense	27	1,779.17	1,367.95
Finance costs	28	3,003.64	2,985.39
Depreciation and Amortization Expenses	29	657.16	530.97
Other expenses	30	3,715.22	3,558.67
<b>Total expenses</b>		<b>118,699.79</b>	<b>132,081.64</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>2,386.70</b>	<b>4,098.69</b>
<b>VI Exceptional items (refer note 46)</b>			-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>2,386.70</b>	<b>4,098.69</b>
<b>VIII Tax expense/(benefit):</b>			
Current tax	18	294.00	874.73
Deferred tax	18	3.00	583.00
Previous Year Adjustments		5.88	
MAT Credit Entitlement		45.00	(94.00)
		<b>347.88</b>	<b>1,363.72</b>
<b>IX Profit/(loss) for the years (VII-VIII)</b>		<b>2,038.81</b>	<b>2,734.96</b>
<b>X Other comprehensive income</b>			
<b>A</b> i) Items that will not be reclassified to profit or loss viz Remeasurement of the Defined Benefits Plan to Employees		-	27.43
ii) Income tax relating to items that will not be reclassified to profit or loss		-	9.41
<b>Total (A)</b>			<b>18.02</b>
<b>B</b> i) Items that will be reclassified to profit or loss (a) The effective portion of gains and loss on hedging instruments			-
(b) Changes in Foreign Currency Monetary Item translation difference			-
ii) Income tax relating to items that will be reclassified to profit or loss			-
<b>Total (B)</b>			-
<b>Total Other comprehensive income / (loss) (A+B)</b>		-	<b>18.02</b>
<b>XI Total comprehensive income / (loss) (IX + X)</b>		<b>2,038.81</b>	<b>2,752.98</b>
<b>XII Earnings per equity share of Re. 10 each (refer note 34)</b>			
Basic		18.85	25.79
Diluted		18.85	24.72

See the accompanying notes to the standalone financial statements

As per our report of even date

**For A.N. GARG & COMPANY**  
Chartered Accountants  
FRN - 004616N

**A.N. GARG**  
(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th, 2020

For and on behalf of Board of Directors

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lacs)

PARTICULARS	For the year ended	For the year ended
	31.03.2020	31.03.2019
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax and Extra Ordinary Activity</b>	2386.70	4098.48
Add/(Less) Adjustments for:		
Depreciation	657.16	530.97
Interest Received	(86.35)	(138.09)
Finance Costs	3003.64	2985.39
Other Provisions	0.00	(34.60)
	3574.45	3343.67
<b>Operating Profit Before Working Capital Changes</b>	<b>5961.14</b>	<b>7442.15</b>
Adjustments for:-		
Increase / (Decrease) Trade Paybles	(171.52)	1366.48
Increase / (Decrease) Current Liabilities	402.67	24.64
Increase / (Decrease) Other Current Liabilities	(247.52)	(512.57)
(Increase) / Decrease Trade Receivables	12.21	(3346.85)
(Increase) / Decrease Inventories	2754.42	311.64
(Increase) / Decrease other Current Assets	(40.70)	205.62
	<b>(2799.29)</b>	<b>(1951.04)</b>
Cash Generated from Operations	<b>3161.85</b>	<b>5491.11</b>
Direct Taxes Paid	667.00	591.00
<b>A. NET CASH FLOW FROM THE OPERATING ACTIVITIES</b>	<b>2494.85</b>	<b>4900.11</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Addition to /Advance for Capital Assets	28.66	(502.79)
Bank deposits considered other than Cash and cash equivalents	(287.25)	(327.60)
Increase/ (Decrease) in Non Current Financial assests	(12.92)	(280.03)
Purchase of Fixed Assest	(3613.99)	(2802.04)
Purchase of Intengible Assest	0.00	(4.72)
Other Loans and Deposits	0.00	(113.55)
Interest Received	0.00	3.72
<b>Net Cash Flow From Investing Activities</b>	<b>(3885.51)</b>	<b>(4027.01)</b>



(Rs. in Lacs)

PARTICULARS	For the year ended	
	31.03.2020	31.03.2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds on conversion of Share Warrants	675.00	600.00
Dividend Paid (Including taxes)	(32.18)	(32.17)
Increase/ (Decrease) in Long Term Borrowings	1876.42	216.40
Increase/ (Decrease) in Short Term Borrowings	1996.79	1440.70
Increase/ (Decrease) in Other Long Term Liabilities	0.00	(253.76)
(Increase) / Decrease Other Non-Current assets	(219.51)	0.00
Interest Received	86.35	134.37
Finance Costs	3003.64	2985.39
Net Cash Flow Used In Financing Activities	<b>1379.23</b>	<b>(879.85)</b>
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)	<b>(11.42)</b>	<b>(6.75)</b>
Cash and Cash Equivalent at the Beginning of the Year*	83.91	<b>90.67</b>
Cash and Cash Equivalent at the Closing of the Year	72.50	<b>83.91</b>

See the accompanying notes to the standalone financial statements

As per our report of even date

**For A.N. GARG & COMPANY**  
Chartered Accountants  
FRN - 004616N

**A.N. GARG**  
(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th , 2020

For and on behalf of Board of Directors

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Background

Hi-Tech Pipes Limited is a Public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi - 110034, India.

The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips & Engineering Products and distribution of the same across india

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation:

##### i) Compliance with Ind AS :

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

These Financial Statements have been prepared under applicable Ind AS-Rules and Provisions of Companies Act 2013

##### ii) Accrual basis of accounting

##### iii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for certain financial assets and liabilities that are measured at fair value

#### b) Foreign currency transactions:

##### i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (Rs), which is also the functional and presentation currency of the Company.

##### 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 gain | (loss) 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 profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. 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 gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

#### c) Revenue recognition:

##### i) Timing of recognition :

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the



entity and specific criteria have been met for each of the activities of the Company.

This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

**ii) Measurement of revenue:**

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, GST ( Goods & Service Tax ) etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not.

Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

**d) Income taxes:**

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and 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. The 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.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also



recognised in Other Comprehensive Income or directly in equity, respectively.

**e) Government grants:**

- i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
- iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

**f) Leases:**

**As a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

**As a lessor:**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease.

Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

**g) Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset 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. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives :

Asset category	Estimated useful life
Factory Buildings	30 years
Plant and equipment	15 to 30 years
Vehicle	8 to 10 years
Office equipment and furniture	5 years
Furniture & Fittings	10 years
Computers	3 to 6 years

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

#### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

#### h) Intangible assets:

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product/patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

#### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of intangible assets.

#### i) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

#### j) Impairment of assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

#### k) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

#### l) Trade receivables:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate

(EIR) method, less provision for impairment.

**m) Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

**n) Inventories:**

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

**o) Investments and other financial assets:**

**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)

Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are 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 and Loss.

**Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

**Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business

model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:

Investments in subsidiary companies, associate company and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable

amount. On disposal of investments in subsidiary companies, associate company and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

#### **Impairment of financial assets:**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivable 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 such receivables.

#### **De-recognition:**

A financial asset is de-recognised only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) 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 entity 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 de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised 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.

#### **Income recognition:**

Interest income from debt instruments is recognised using the effective interest rate

method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Financial liabilities:**

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) **Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) **De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**p) 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.

**q) 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 profit or loss over the period of the borrowings using the effective interest method. 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.

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 profit or loss as other income | (expense).

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.

**r) Borrowing costs:**

General and specific borrowing costs 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. Other borrowing costs are expensed in the period in which they are incurred.

**s) Provisions and contingent liabilities:**

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. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**Employee benefits:**

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at

undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

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 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plan:**

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each

financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**t) Research and Development expenditure:**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

**u) Earnings per share:**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

**v) Contributed equity:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets
- ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

**w) Regrouped/ Recast/Reclassified**

Figures of earlier year have been reclassified to conform to ind AS presentation requirement.

**x) Rounding off.**

Figures less than 50000 have been shown at actual in brackets

**y) Authorisation for issue of the Financial statement**

The Financial Statements were authorised for issue by the Board of Directors on June 27, 2020.

## 2. PROPERTY, PLANT AND EQUIPMENT

(Rs in lakhs)

Particulars	Land	Office Building	Factory Shed & Building	Plant & Machinery	Office Equipment	Computer	Furniture & Fixtures	Vehicle	Tangibles Total
<b>Gross Carrying Amount as on 1 April 2019</b>	1642.86	2954.40	1551.15	11580.19	66.74	25.97	202.56	498.31	18522.19
Addition	572.56	2.04	0.00	282.89	12.81	9.14	69.55	93.97	1042.96
Disposal	-	-	-	-	-	-	-	39.71	39.71
<b>Gross Carrying Amount as on 1 April 2020</b>	2215.42	2956.44	1551.15	11863.09	79.55	35.10	272.11	552.57	19525.44
<b>Accumulated depreciation/ amortisation and impairment</b>									
<b>Balance as at March 31, 2019</b>	0.00	132.93	188.09	1081.36	30.33	17.42	53.76	107.33	1611.22
Depreciation for the year	0.00	34.39	77.09	449.75	4.67	4.45	22.48	60.83	653.66
Depreciation on Disposals	-	-	-	-	-	-	-	-36.73	-36.73
<b>Balance as at March 31, 2020</b>	0.00	167.32	265.17	1531.11	35.00	21.87	76.25	131.43	2228.15
<b>Carrying Value</b>									
<b>As at 31.03.2020</b>	2215.42	2789.13	1285.98	10331.98	44.55	13.23	195.86	421.15	17297.29
<b>As at 31.03.2019</b>	1642.86	2821.48	1363.07	10498.83	36.41	8.55	148.80	390.98	16910.97
<b>As at 31.03.2018</b>	1173.21	2821.78	1274.24	6829.28	24.80	5.69	58.34	181.24	12368.60
Useful life of Assets (Years)	NA	60	30	10-30	8-15	3-6	10.00	10.00	0.00
Method of Depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	0.00

## 3. CAPITAL WORK-IN-PROGRESS

(Rs in lakhs)

Particulars	Total
<b>As at 31.03.2018</b>	1,740.43
<b>As at 31.03.2019</b>	369.09
<b>As at 31.03.2020</b>	2,939.61

## 4 INTANGIBLES

(Rs in lakhs)

Intangibles Assets	Computer Software	Intangibles Total
<b>Gross Carrying amount as at 31.03.2019</b>	21.84	21.84
Additions	-	0
Disposals	-	-
<b>Gross Carrying amount as at 31.03.2020</b>	21.84	21.84
<b>Accumulated Amortisation and impairment</b>		
<b>Balance as at 31.03.2019</b>	13.59	13.59
Amortisation for the year	3.50	3.50
Amortisation on Disposals	-	-
<b>Balance as at 31.03.2020</b>	17.09	17.09
<b>Net Carrying Value</b>		
<b>As at 31.03.2020</b>	4.75	4.75
<b>As at 31.03.2019</b>	8.25	8.25
Useful life of Assets (Years)	3-5	-
Method of Depreciation	SLM	



## 5. INVESTMENTS (NON -CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>A. Investment in equity instruments</b>		
<b>Unquoted</b>		
Investment In SVC Co Op Bank Ltd	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>
<b>Unquoted</b>		
Aggregate carrying value	0.03	0.03
<b>Investment at Cost</b>	<b>0.03</b>	<b>0.03</b>

## 6. LOANS NON-CURRENT

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Security deposit	361.24	286.74
<b>Total</b>	<b>361.24</b>	<b>286.74</b>

## 7. OTHER ASSETS - NON CURRENT

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured &amp; Considered Good</b>		
Capital Advances	299.01	160.91
<b>Total</b>	<b>299.01</b>	<b>160.91</b>

## 8. INVENTORIES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Inventories</b> (at lower of cost and net realisable value)		
Raw materials	9,037.04	8,314.00
Semi-finished / finished goods	8,023.00	6,185.00
Production consumables and stores and spares	817.10	421.94
Immovable Property	-	201.78
<b>Total</b>	<b>17,877.14</b>	<b>15,122.72</b>

### Notes:

Inventories have been pledged as security against certain bank borrowings of the company (Refer note 19)



## 9. TRADE RECEIVABLES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good	13,727.64	13,739.85
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>13,727.64</b>	<b>13,739.85</b>

### Notes

- The credit period on sale of goods ranges from 30 to 60 days without securities. No interest is charged on trade receivables.
- Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.
- The company does not generally hold any collateral or other credit enhancements over the balances.
- Trade receivables have been given as collateral toward borrowings (refer security note below Note 19)

## 10. CASH AND CASH EQUIVALENTS

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Balance with banks:</b>		
In current accounts	10.48	17.53
Cash on hand	62.02	66.38
<b>Total</b>	<b>72.50</b>	<b>83.91</b>

## 11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Earmarked balances		
In current accounts	0.61	0.55
In margin money ( with maturity more than 3 months but less than 12 months ) at inception	1,804.02	1,516.83
	-	
<b>Total</b>	<b>1,804.63</b>	<b>1,517.38</b>

### Notes:

**11.1** Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks

## 12. OTHER CURRENT ASSETS (UNSECURED)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advances to suppliers & others	1,782.71	1,736.88
Balance with Statutory/ Government authorities	567.73	537.23
Prepayment & others	41.09	41.11
<b>Total</b>	<b>2,391.54</b>	<b>2,315.22</b>

### 13. EQUITY SHARE CAPITAL

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	Number of Share (No. in Lakhs)		Amount (Rs In lakhs)	
<b>Share Capital</b>				
<b>(a) Authorised :</b>				
Equity shares of the par value of Rs.10/- each	140.00	140.00	1,400.00	1,400.00
<b>(b) Issued and subscribed: (A)</b>				
Outstanding at the beginning of the year	107.01	105.01	1,070.11	1,050.11
<b>(c) Fresh Issue during the year through preferential allotment</b>	-	-	-	-
<b>(d) Conversion of Share Warrants into Equity share.</b>	2.25	2.00	22.50	20.00
<b>Total (A+B+C)</b>	<b>109.26</b>	<b>107.01</b>	<b>1,092.61</b>	<b>1,070.11</b>

a) The Movement of Share Capital in Subscribed and Paid up Share Capital is set out as below

(in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	Number of Share (No. in Lakhs)		Amount (Rs In lakhs)	
Equity shares of Rs.10/- each fully paid up as on 1 April	107.01	105.01	1,070.11	1,050.11
Add: Share Warrant converted into Equity Shares	2.25	2.00	22.50	20.00
<b>Equity shares - closing as on 31 March</b>	<b>109.26</b>	<b>107.01</b>	<b>1,092.61</b>	<b>1,070.11</b>

b) Conversion of Equity Share Warrant into Equity Share of face value Rs 10 each , at Rs.400/- Per Share

Date of Allotment	Number of Share	Share Capital	Security Premium	Total
September 16, 2020	100,000	1,000,000	39,000,000	40,000,000
September 25, 2020	125,000	1,250,000	48,750,000	50,000,000
	<b>225,000</b>	<b>2,250,000</b>	<b>87,750,000</b>	<b>90,000,000</b>

c) **\*\*Rights, preferences and restrictions attached to equity shares**

The Company has single class of equity shares and carry a right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) **Shareholders holding more than 5% share in the company are set out below:**

(Rs in lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Share	% of Share	Number of Share	% of Share
Ajay Kumar Bansal	1,530,677	14.01%	1,520,677	14.21%
Parveen Bansal (Mrs. )	1,039,200	9.51%	1,019,200	9.52%
Vipul Bansal	837,600	7.67%	827,600	7.73%



(Rs in lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Share	% of Share	Number of Share	% of Share
Anish Bansal	1,066,600	9.76%	767,600	7.17%
AKS Buildcon Pvt. Ltd.	552,000	5.05%	552,000	5.16%
Ajay Kumar & Sons (HUF)	520,800	4.77%	520,800	4.87%
Hi- Tech Agrovision Pvt. Ltd.	516,000	4.72%	516,000	4.82%
Shweta Bansal (Mrs. )	551,200	5.04%	551,200	5.15%

**e) For the period of five years immediately preceding the date of Balance Sheet,**

Aggregate number & class of shares allotted by the company as fully paid up pursuant to contracts without receipt of cash NIL

Aggregate number & class of shares bought back by the company : NIL

Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares

Particulars	2015-16	2013-14	Total
Fully paid up Equity shares by way of Bonus Shares (Face Value of Rs.10/- each)	3785550	2340000	6125550

**f) Dividends**

The Board of Directors, in its meeting on June 27th, 2020 has recommended a final dividend of Rs. 0.25 per equity share for the financial year ended March 31, 2020. This proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approx. Rs. 27.32 Lakhs. This figure may change to the extent of conversion of fully convertible warrants into Equity shares on or before book closure date for the purpose of dividend.

**14. OTHER EQUITY**

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 30.03.2019
General reserve	3,145.60	3,145.59
Share Warrants	-	600.00
Retained earnings	8,620.28	6,613.23
<b>Other reserves:</b>	-	-
Capital Reserve	375.00	-
Securities premium account	4,126.77	3,249.27
<b>Total</b>	<b>16,267.65</b>	<b>13,608.09</b>

**(i) Securities premium account**

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

**(ii) General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

### (iii) Capital Reserve

The Company had allotted 8,00,000 Fully Convertible Warrants at a price of Rs.100 being 25% of issue price of Rs.400/- on March, 2018 out of which the allottees had converted their 4,25,000 FCW's into 4,25,000 Equity Shares within the period of 18 Months and 3,75,000 FCW's were left pending for conversion. Hence, the Company has forfeited the allotment money of Rs.3,75,00,000 (Rs. Three Crore Seventy Five Lakhs) for 3,75,000 FCW's and transferred the same in the Capital Reserve Account

### 15. BORROWINGS (NON CURRENT)

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Term Loans:</b>		
From Bank	6,594.43	5,123.75
From Others	335.77	475.96
<b>Vehicle Loans</b>	208.88	196.45
	<b>7,139.08</b>	<b>5,796.16</b>
<b>Unsecured</b>		
From Directors	1,710.96	1,313.07
<b>Intercorporate Borrowings:</b>	-	-
Loan from Related Parties	72.18	72.63
	<b>1,783.14</b>	<b>1,385.71</b>
<b>Unamortised upfront fee on Secured Borrowing ('C')</b>	-25.50	-11.79
<b>Total (A) + (B) + ('C')</b>	<b>8,896.72</b>	<b>7,170.07</b>

	As at 31.03.2020		As at 31.03.2019	
	non current	current	non current	current
<b>Term Loans:</b>				
From Bank				
From Others	6,594.43	1480.86	5,123.75	1201.87
Vehicle Loans	335.77	131.65	475.96	131.65
	208.88	47.99	196.45	49.20
<b>TOTAL</b>	<b>7,139.08</b>	<b>1660.50</b>	<b>5796.16</b>	<b>1382.70</b>

- A Term Loan aggregating to Rs. 6594.43 Lacs (Non current) , Rs. 1480.86 Lacs (current) (PY Rs. 5123.75 Lacs Non Current & Rs. 1201.87 Lacs Current )are secured. Some of these loans are secured by Equatable Mortgage of Land & Building and/or Hypothecation of plant & machinery of its manufacturing units situated at plot No. 10 & 16 at Sikandrabad, Sanad-Gujrat and Hindupur-Andhra pradesh and personnel guarantee of Promoter Director. Some of these loans are secured by Equitable morgage on comapny's commercial property. these term loans are repayable in monthly or quarterly installments along with interest.
- B Term Loan aggregating to Rs. 335.77 Lacs (Non Current) RS. 131.65 (Current) (P.Y Rs. 475.96 Lacs Non current & Rs.131.64 lacs Current) are secured by Equatable Mortgage on plant & Machinery being financed. These term loans are repayable in monthly installments along with interest.
- C Term Loan aggregatingto Rs. 208.88 Lacs (Non Current) Rs. 47.99 Lacs (Current) (P.Y Rs. 196.45 Lacs Non Current & Rs. 49.20 Lacs Current) are secured by specific charge on the vehicle hypothicated against these loans. These term loans are repayable in monthly installments along with interest.

## 16. OTHER FINANCIAL LIABILITIES NON-CURRENT

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits	81.87	94.79
<b>Total</b>	<b>81.87</b>	<b>94.79</b>

## 17. PROVISIONS (NON-CURRENT)

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Provision for Leave encashment	16.48	9.95
Provision for Gratuity (refer note-33 )	80.97	53.85
<b>Total</b>	<b>97.45</b>	<b>63.80</b>

## 18. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

The Hi-Tech Pipes Ltd, holding company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has re-measured its deferred tax liability on the basis of the rate prescribed in the said section resulting in a reversal of net deferred tax liability to the extent of Rs.190 Lacs.

HTL Metal Pvt Ltd, subsidiary company has also decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 with effect from next financial year. Accordingly, the Company has re-measured its deferred tax liability on the basis of the rate prescribed in the said section resulting in a reversal of net deferred tax liability to the extent of Rs.101 Lacs.

### (a) Income tax expense / (benefits)

Particulars	(Rs in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Current tax :</b>		
Current tax (MAT)	294.00	874.72
Tax refund / reversal pertaining to earlier years	-	-
	<b>294.00</b>	<b>874.72</b>
<b>Deferred tax :</b>		
Deferred tax	3.00	583.00
MAT credit entitlement	45.00	-94.00
(Restoration)/reversal of MAT credit entitlement	-	-
Tax provision/(reversal) for earlier years	-	-
<b>Total deferred tax</b>	<b>48.00</b>	<b>489.00</b>
<b>Total Tax expense / (benefit)</b>	<b>342.00</b>	<b>1,363.72</b>

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	(Rs in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit/loss before tax	2,386.70	4,098.69
Enacted tax rate in India ( Weighted Average)	24.50%	32.11%
<b>Expected income tax expense / (benefit) at statutory tax rate</b>	<b>584.80</b>	<b>1,316.23</b>
Depreciation under Income Tax Act	-270.80	-547.50
Mat credit entitlement/ utilisation	-45.00	-
Expenses not deductible in determining taxable profits	25.00	-
Deductions allowed under tax Laws	-	-
Others	-	106.00
Tax expense for the Current year	<b>294.00</b>	<b>874.73</b>
MAT on PBT @ 21.34%	294.00	874.73
Tax expense pertaining to current year	294.00	874.73
<b>Effective income tax rate</b>	<b>12.32%</b>	<b>21.34%</b>

#### Deferred tax assets / (liabilities)

Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Deferred tax liabilities (net)	(1,474.88)	(1,473.69)
Less: MAT Credit Entitlement	285.91	330.91
<b>Total</b>	<b>(1,188.97)</b>	<b>(1,141.78)</b>

Deferred tax balance in relation to	As at 31.03.2019	Recognised / reversed through P/L	As at 31.03.2020
Property, plant and equipment	(1,484.48)	-	(1,484.48)
Provisions for employee benefit / loans, advances and guarantees	10.79	(1.19)	9.60
<b>Total</b>	<b>(1,473.69)</b>	<b>(1.19)</b>	<b>(1,474.88)</b>

Deferred tax balance in relation to	As at 31.03.2018	Recognised / reversed through P/L	As at 31.03.2019
Property, plant and equipment	(901.48)	(583.00)	(1,484.48)
Provisions for employee benefit / loans, advances and guarantees	21.19	(10.40)	10.79
<b>Total</b>	<b>(880.29)</b>	<b>(593.40)</b>	<b>(1,473.69)</b>

#### Movement in MAT credit entitlement:

Particulars	(Rs in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Balance at the beginning of year	330.91	236.91
Add: MAT credit entitlement	(45.00)	94.00
<b>Balance at the end of year</b>	<b>285.91</b>	<b>330.91</b>

The Company expects to utilize the MAT credit within a period of 15 years

## 19. BORROWINGS (CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Working capital loans from banks (secured)		
From Banks	20,651.10	18,654.31
<b>Total</b>	<b>20,651.10</b>	<b>18,654.31</b>

### Working capital loan are secured by :-

Working capital facilities availed are secured by first pari passu charge on entire current assets of the company and second pari passu on moveable fixed assets of the company. These credit facilities are further secured by personal guarantee of promoter-directors of the company.

## 20. TRADE PAYABLES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Raw Material	5,237.90	5,157.39
Other than Raw Material	368.06	754.95
<b>Total</b>	<b>5,605.96</b>	<b>5,912.33</b>

Credit Terms of these Trade Payable varies from 0-90 days.

## 21. OTHER FINANCIAL LIABILITIES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term borrowing	1,660.50	1,382.70
Interest accrued but not due on borrowings	72.73	94.72
<b>Total</b>	<b>1,733.23</b>	<b>1,477.42</b>

## 22. OTHER CURRENT LIABILITIES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advances from customers	119.02	92.12
Statutory liabilities	24.58	15.28
Unclaimed dividends	0.55	0.55
Creditors for fixed assets	395.56	403.16
<b>Total</b>	<b>539.71</b>	<b>511.11</b>

## 23. PROVISIONS (CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Leave encashment	2.05	2.04
Provision for Corporate Social Responsibility	57.27	-
Provision for employee benefits	24.06	17.81
Bonus payable	24.27	24.83
Other Provisions	427.03	329.18
Provision for Gratuity	4.91	4.25
<b>Total</b>	<b>539.59</b>	<b>378.12</b>



#### 24. REVENUE FROM OPERATIONS

		(Rs in Lacs)	
Particulars		As at 31.03.2020	As at 31.03.2019
<b>Sale of products:</b>			
Domestic turnover		120,669.72	135,746.14
Export turnover		95.26	119.95
	<b>A</b>	<b>120,764.98</b>	<b>135,866.09</b>
<b>Other operating revenues</b>			
Rent		165.27	167.93
Job work		31.25	8.23
	<b>B</b>	196.52	176.15
<b>Total</b>	<b>(A+B)</b>	<b>120,961.50</b>	<b>136,042.24</b>

#### 25. OTHER INCOME

		(Rs in Lacs)	
Particulars		As at 31.03.2020	As at 31.03.2019
Interest Income earned on financial assets			
Bank deposits		75.76	130.72
Other Interest income		10.60	5.92
Other Income		19.63	1.45
Other Income-Insurance proceeds		19.00	-
<b>Total</b>		<b>124.99</b>	<b>138.09</b>

#### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

		(Rs in Lacs)	
Particulars		As at 31.03.2020	As at 31.03.2019
Opening Stock :			
Semi finished /finished goods		4,022.00	6,119.17
Rejection & Scraps		453.00	521.19
Work-in-progress		2,163.00	726.98
	<b>A</b>	6,638.00	7,367.34
Closing stock :			
Semi finished /finished goods		6,438.00	4,022.00
Rejection & Scraps		585.00	453.00
Work-in-progress		1,604.00	2,163.00
	<b>B</b>	8,627.00	6,638.00
	<b>C (A-B)</b>	<b>(1,989.00)</b>	<b>729.34</b>
Excise duty on stock of finished goods (net)	<b>D</b>	-	-
<b>Total</b>	<b>(C+D)</b>	<b>(1,989.00)</b>	<b>729.34</b>

#### 26.1. COST OF MATERIALS CONSUMED

		(Rs in Lacs)	
Particulars		As at 31.03.2020	As at 31.03.2019
Indigenous Raw Material & Stores		110,293.31	120,028.28
<b>Total</b>		<b>110,293.31</b>	<b>120,028.28</b>



## 27. EMPLOYEE BENEFITS EXPENSE

(Rs in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
Salaries and wages	1,589.29	1,216.08
Contribution to provident and other funds (refer note 33)	51.30	79.67
Provisions for Employees Benefits	77.44	29.00
Staff welfare expenses	61.14	43.20
<b>Total</b>	<b>1,779.17</b>	<b>1,367.95</b>

## 28. FINANCE COSTS

(Rs in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
Interest expenses on borrowings	2,730.13	2,746.56
Other borrowing costs	273.51	238.83
<b>Total</b>	<b>3,003.64</b>	<b>2,985.39</b>

## 29. DEPRECIATION AND AMORTIZATION

(Rs in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
Tangible assets	653.66	527.47
Intangible assets	3.50	3.50
<b>Total</b>	<b>657.16</b>	<b>530.97</b>

## 30. OTHER EXPENSES

(Rs in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
Power and fuel	1,620.76	1,756.05
Rent	43.81	29.50
<b>Repairs and maintenance</b>		
Plant and equipment	28.95	30.30
Buildings	34.47	21.02
Others	40.52	97.71
Sales Promotion	135.64	66.84
Fee & Subscription	27.71	18.43
Insurance	77.44	73.79
Carriage and freight	1,010.68	824.45
Commission on sales	77.90	33.11
Travelling and Conveyance	145.88	200.61
Legal or Professional Consultation Charges	68.41	95.04
Vehicle Running and Maintenance	125.14	58.91
Security Services	64.71	50.78
Miscellaneous expenses	216.41	202.14
<b>Total</b>	<b>3,715.22</b>	<b>3,558.67</b>

Provision for CSR for FY 2019-20 was Rs. 57.27 Lacs ( previous year Rs.25.77 Lacs) is included in Misc. Expenses

**Note : Auditors remuneration (excluding service tax | GST) included in miscellaneous expenses :**

(Rs in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
As Audit fees (including limited review)	19.31	19.50
For Tax audit fees	2.00	2.00
<b>Total</b>	<b>21.31</b>	<b>21.50</b>

### 31. EARNINGS PER SHARE (EPS)

(Rs in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
Profit/(Loss) attributable to Equity shareholders (₹ in crores) (A)	2,038.81	2,752.98
<b>Weighted average number of Equity shares for basic EPS (B)</b>	108.20	106.73
Effect of Dilution :	108.20	107.01
Equity share outstanding as on March 31, 2020		
Weighted average number of Treasury shares held through Convertible Warrant	108.20	6.00
<b>Weighted average number of Equity shares adjusted for the effect of dilution ( C )</b>	108.20	112.74
Basic EPS (Amount in ₹) (A/B)	18.85	25.79
Diluted EPS (Amount in ₹) (A/C)	18.85	24.42
Face value per Share	Rs.10/-	Rs.10/-

### 32. SEGMENT REPORTING

In accordance with the provisions of Ind AS 108 -Operating Segment, the operations of the company falls under manufacturing of Steel Tubes & Pipes and which is also considered to be the reportable segment by management.

### 33. EMPLOYEE BENEFITS

#### a) Defined Contribution Plans, Contribution to Defined Contribution Plans, recognized as an Expenses for the year is as under:

Particulars	For the Year Ended 31-03-2020	For the Year Ended 31-03-2019
Employers' Contribution to Provident Fund (includes pension Fund)	31,11,910	24,82,549
Employer's Contribution to Employee State Insurance	20,25,937	19,03,716

#### b) Defined Benefit Plans

The Company has funded the Gratuity Liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to maximum of Rs.20 Lakhs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 year.

The Plan in India is actually expose the Company to actuarial risk such as: Investment Risk, Interest Rate Risk, Longevity Risk and Salary Risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields, if the return on plan asset is below this rate, it will create a plan deficit.

**Interest Risk:** A decrease in bond interest rate will increase the plan Liability; however this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity Risk:** The present value of the defined benefit liability is calculated by the reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future



salaries of plan participants. As such the increase in the salary of plant participant will increase the plan liability.

There are no other post retirement benefit provided to employees

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2020 by Mr. SaketSinghal (Fellow- Institute of Actuaries of India). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

## Summary of Financial Results

### Executive Summary

#### Amount Recognized in Statement of Financial Position at Period - End

	31/03/2019	31/03/2020
Present value of Defined Benefit Obligation	60,88,424	84,60,264
Fair value of Plan Assets	--	--
	<b>60,88,424</b>	<b>84,60,264</b>
Unrecognized Asset due to the Asset Ceiling	--	--
Net Defined Benefit (Assets) / Liability Recognized in Statement of Financial Position	<b>60,88,424</b>	<b>84,60,264</b>

#### 1. Change in Defined Benefit Obligation

	31/03/2019	31/03/2020
a) Defined Benefit obligation, beginning of period	69,21,488	60,88,424
b) Interest Cost on DBO	5,38,260	4,72,732
c) Net Current Service Cost	15,21,001	20,58,502
d) Actual Plan Participants' Contributions	--	--
e) Benefits Paid	1,52,074	(5,33,182)
f) Past Service Cost	--	--
g) Changes in Foreign Currency Exchange Rates	--	--
h) Acquisition /Business Combination / Divestiture	--	--
i) Losses / (Gains) on Curtailments / Settlements	--	--
j) Actuarial (Gain)/Loss on obligation	(27,43,251)	3,73,788
k) Defined Benefit Obligation, End of Period	<b>60,88,424</b>	<b>84,60,264</b>

#### 2. Change in Fair Value of Plan assets

	31/03/2019	31/03/2020
a) Fair value of plan assets at the beginning	--	--
b) Expected return on plan assets	--	--
c) Employer contribution	--	--
d) Actual Plan Participants' Contributions	--	--
e) Actual Taxes Paid	--	--
f) Actual Administration Expenses Paid	--	--
g) Changes in Foreign Currency Exchange Rates	--	--
h) Benefits paid	--	--
i) Acquisition /Business Combination / Divestiture	--	--
j) Assets Extinguished on Curtailments / Settlements	--	--
k) Actuarial (Gain)/Loss on Asset	--	--
l) Fair value of plan assets at the end.	--	--

**3. Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End**

		31/03/2019	31/03/2020
a)	Service Cost	15,21,001	20,58,502
b)	Net Interest Cost	5,41,260	4,72,732
c)	Past Service Cost	--	--
d)	Administration Expenses	--	--
e)	(Gain)/Loss due to settlements / Curtailments / Terminations / Divestitures	--	--
f)	Total Defined Benefit Cost/(Income) included in Profit & Loss	<b>22,62,261</b>	<b>2531234</b>

**4. Analysis of Amount Recognized in Other Comprehensive (Income)/Loss at Period - End**

		31/03/2019	31/03/2020
a)	Amount recognized in OCI, (Gain) / Loss Beginning of Period	(31,08,465)	(58,51,716)
b)	Remeasurements Due to :		
	1.Effect of Change in Financial Assumptions	28,037	10,22,523
	2.Effect of Change in Demographic Assumptions	--	(5,734)
	3.Effect of Experience Adjustments	(27,71,288)	(6,43,001)
	4.(Gain)/Loss on Curtailments/Settlements	--	--
	5.Return on Plan Assets (Excluding Interest)	--	--
	6.Changes in Asset Ceiling	--	--
c)	Total Remeasurements Recognised in OCI (Gain)/Loss	(27,43,251)	3,73,788
d)	Amount Recognized in OCI (Gain)/Loss, End of Period	(58,51,716)	(54,77,928)

**5. Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income)**

		31/03/2019	31/03/2020
a)	Amount recognized in P&L, End of Period	20,62,261	25,31,234
b)	Amount recognized in OCI, End of Period	(27,43,251)	3,73,788
c)	Total Net Defined Benefit Cost/(Income) Recognized at Period-End	<b>(6,80,990)</b>	<b>29,05,022</b>

**6. Reconciliation of Balance Sheet Amount**

		31/03/2019	31/03/2020
a)	Balance Sheet (Asset)/Liability, Beginning of Period	69,21,488	60,88,424
b)	True-up	--	--
c)	Total Charge/(Credit) Recognised in Profit and Loss	20,62,261	25,31,234
d)	Total Remeasurements Recognised in OC (Income)/Loss	27,43,251	3,73,788
e)	Acquisition /Business Combination / Divestiture	--	--
f)	Employer Contribution	--	--
g)	Benefits Paid	1,52,074	(5,33,182)
h)	Other Events	--	--
i)	Balance Sheet (Asset)/Liability, End of Period	60,88,424	84,60,264



## 7. Actual Return on Plan Assets

		31/03/2019	31/03/2020
a)	Expected return on plan assets	--	--
b)	Remeasurement on Plan Assets	--	--
c)	Actual Return on Plan Assets	--	--

## 8. Change in the Unrecognised Asset due to the Asset Ceiling During the Period

		31/03/2019	31/03/2020
a)	Unrecognised Asset, Beginning of Period	--	--
b)	Interest on Unrecognised Asset Recognised in P&L	--	--
c)	Other changes in Unrecognised Asset due to the Asset Ceiling	--	--
d)	Unrecognized Asset, End of Period	--	--

## 9. The Major Categories of Plan Assets

		31/03/2019	31/03/2020
a)	Government of India Securities (Central and State)	--	--
b)	High Quality Corporate Bonds (Including Public Sector Bonds)	--	--
c)	Equity Shares of listed companies	--	--
d)	Cash (Including Bank Balance, Special Deposit Scheme)	--	--
e)	Funds Managed by Insurer	--	--
f)	Others	--	--
	Total	--	--

## 10. Current / Non Current Bifurcation

		31/03/2019	31/03/2020
a)	Current liability	4,24,940	4,91,384
b)	Non-Current liability	56,63,484	79,68,880
c)	Net Liability	60,88,424	84,60,264

## 11. Defined Benefit Obligation by Participant Status

		31/03/2020
a)	A. Actives	84,60,264
b)	B. Vested Deferreds	--
c)	C. Retirees	--
d)	Total Defined Benefit Obligation	84,60,264

## 12. Sensitivity Analysis

		31/03/2020
a)	Defined Benefit Obligation - Discount Rate +100 Basis Points	(9,80,383)
b)	Defined Benefit Obligation - Discount Rate -100 Basis Points	11,90,716
c)	Defined Benefit Obligation - Salary Escalation Rate +100 Basis Points	12,06,568
d)	Defined Benefit Obligation - Salary Escalation Rate -100 Basis Points	(10,08,448)

### 13. Actuarial Valuation Assumptions Used for Valuation

Financial Assumptions Used to Determine the Profit & Loss Charge	31/03/2019	31/03/2020
a) Discounting Rate	7.82 P.A.	6.77 P.A.
b) Salary Escalation Rate	4.50 P.A.	4.50 P.A.
c) Expected Rate of Return on Assets	0.00 P.A.	0.00 P.A.

Demographic Assumptions Used to Determine the Defined Benefit	31/03/2019	31/03/2020
a) Retirement Age	60 Years	60 Years
b) Mortality Table (IALM)	[2006 - 2008]	2012-2014
c) Employee Turnover / Attrition Rate		
18 to 30 Years	2.00 %	2.00 %
30 to 45 Years	2.00 %	2.00 %
Above 45 Years	1.00 %	1.00 %

### 34. FINANCIAL INSTRUMENTS

#### a) Capital Risk Management

The company's capital requirements are mainly to fund its expansion, working capital and strategic acquisition. The principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowings from bank and the funds from capital market. The company is not subject to any externally imposed capital requirements.

The company regularly consider other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The company monitors its capital gearing ratio, which net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other cash and cash equivalents.

Particulars	Rs. Lacs	
	As at 31-03-2020	As at 31-03-2019
Long term borrowings	8,897	7,170
Current maturities of long term debts	1,661	1,383
short term borrowings	20,651	18,654
Less: Cash and Cash equivalents	72	84
Less: Bank balances other than cash and cash equivalents	1,805	1,517
Net Debt	29,331	25,606
Total Equity	17,360	14,678
Gearing Ratio	1.69	1.74

- Equity includes all capital and reserves of the Company that are managed as capital.
- Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 15 and 19.



### c) Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for the Risk Management Framework and developing and monitoring the Company's risk management policy. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

### D) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates.

### E) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by the company. These prices may be influenced by factors such as supply and demand, production costs (including the cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company purchases the steel and other building products in the open market from third parties in prevailing market price. The Company is therefore subject to fluctuations in the prices of HR Coils, Zinc etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

### F) 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 since funds are borrowed at 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. The risk is managed by the Company by keeping a close watch on the market variables and time to time negotiations with the Bankers for reduction of rate of interest.

### G) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances



**Trade receivables:**

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

**E) Liquidity risk management**

Liquidity risk refers to the risk of financial distress extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for: term operational needs as well as for capex purposes. The Company generates sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continue monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. A table showing maturity profile of the Financial Assets & Liabilities has been placed on the website of the company.

**F) Fair Valuation of Financial Instrument**

Carrying value and Fair Value of Financial Instrument as on 31-03-2018, 31-03-2017 and 01-04-2016 is the same & there is no difference therein.

**35. Operating Lease**

**a) As Lessor:**

The company has entered into leasing arrangements for renting of a building admesuring approximately 1262 Square meter at the rate of Rs. 870/- per SM monthly For the period of 12 months, which is renewable.

**Disclosure in respect of assets (building) given on operating lease:**

Particulars	As at 31-03-2020	As at 31-03-2019
Gross carrying amount of assets	37,180,995	37,180,995
Accumulated Depreciation	7,082,989	6,629,580
Depreciation for the year	453,409	453,409

**b) As Lessee:**

Various building have been taken on operatin lease with lease term for 11 months for office primises, storage space & employee residence which are renewable on a periodic basis by mutual consent of both parties. All the operating lease are cancelable by either parties for any reason by giving a prior notice. There is no restriction imposed by lease aggrements, such as those concerning dividens, additional debts.

**Lease payments recognised under rent expenses is as follows:**

Particulars	Rs. Lacs	
	For the year ended 31-03-2020	For the year ended 31-03-2019
Minimum lease payment made on operating lease	43.81	29.50

### 36. RELATED PARTY DISCLOSURES

#### A. Name of Related Parties and nature of relationship:

1	Associate enterprise over which key management personnels and their relative exercise significant influence	1. Hitech Agro Vision Pvt Ltd
		2. AKS Buildcon Pvt Ltd
		3. Hi-tech Saw Pvt Ltd
2	Subsidiaries	1. HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary)
		2. HTL ISPAT Pvt. Ltd. (Wholly Owned Subsidiary)
		3. Hi-Tech Metalex Pvt. Ltd. (wholly owned subsidiary)
3	Key Management Personnel (KMP)	1. Sh. Ajay Kumar Bansal as Managing Director
		2. Sh. Anish Bansal as Whole time Director
		3. Sh. Arvind Bansal, Chief Financial Officer
		4. Sh. Arun Sharma, CS & Compliance Officer
4	Relatives of Key Management Personnel	1. Vipul Bansal is as Relatives of Managing Director
		2. Rakesh Bansal is as Relatives of Managing Director

#### B. Transactions with related parties & Outstanding balance

(Rs in Lacs)

Particulars		Value of Transaction	
		FY 2019-20	FY 2018-19
1	Remuneration paid to Key Management Personnel	180.00	118.44
2	Rent Paid to Key Management Personnel	4.25	3.60
3	Outstanding balance of Key Management Personnel	Cr Bal 1,711.00	1,280.41
4	Salary paid to Relatives of Key Management Personnel	60.00	36.00
5	Outstanding balance of Relatives of Key Management Personnel	Cr Bal 57.82	57.82

In respect of above parties there is no provision for doubtful debt as on March 31st, 2020 and no amount is written off or written back during the year in respect of debt/loans and advances due from/to them.

Credit facilities of the company is further collaterally secured by the personal guarantee of the Promoter Directors as declared in note 15 & 19

### 37. CONTINGENT LIABILITIES:

(Rs in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Disputed UP Valud Added Tax Demand^	43.27	54.94
Bank Guarantee relating to Entry Tax*	128.98	128.98
Performance Bank Guarantee #	151.10	36.09
<b>Total</b>	<b>323.35</b>	<b>220.01</b>
Refer item (vii) of the Independent Audit Report		

Relating to Entry Tax imposed by UP VAT Authorities during the FY 12 & petition thereof is pending with Hon'ble Allahabad High Court. The company is of the opinion that eventually no liability shall accrue to the company in this matter.

### 38. COMMITMENTS

(Rs in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated value of capital commitments	-	-
<b>Total</b>	-	-

### 38A. ADDITIONAL INFORMATION

(Rs in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
a CIF Value of Imports	57.26	85.03
b Foreign Currency Earnings	-	-
c Foreign Currency Expenditure	6.24	7.80

As per our report of even date

**For A.N. GARG & COMPANY**  
Chartered Accountants  
FRN - 004616N

**A.N. GARG**  
(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th , 2020

**For and on behalf of Board of Directors**

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Anish Bansal**  
Director  
DIN : 00670250

**Arvind Bansal**  
Chief Financial Officer

**Arun Kumar**  
Company Secretary



# INDEPENDENT AUDITOR'S REPORT

To The Members of HI-TECH PIPES Limited

## Report on the Standalone - Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of HI-TECH PIPES Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 Standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information hereinafter referred to as "Standalone Ind AS Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

### Modified Audit Procedures carried out in light of COVID-19 outbreak:

Due to COVID-19 pandemic, Nationwide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches/LHOS/ Business Units in the Corporate Office of the Company.

As we could not gather audit evidence in person/ physically through discussion and personal interactions with the officials at the Branches/Circle Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.

Accordingly, our audit procedures were modified to carry out the audit remotely.

### How the matter was addressed in our audit

Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.

Wherever physical access was not possible, necessary records/reports/ documents/ certificates were made

available to us by the Company through digital medium, emails and remote access and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us why were relied upon as audit evidence for conducting the audit and reporting for the current period.

Accordingly, we modified our audit procedures as follows:

- a) Conducted verification of necessary records/documents and other Application software electronically through remote access/emails in respect of some of the Administrative Offices and other offices of the Company wherever physical access was not possible.
- b) Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.
- c) Making enquiries and gathering necessary audit evidence through Video Conferencing. Dialogues and discussions over phone calls/conference calls, emails and similar communication channels.
- d) Resolution of our audit observations telephonically through email instead of a face-to-face interaction with the designated officials.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and 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, read with relevant rules issued there under.

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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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 management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us [and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below,] is sufficient and appropriate to provide a basis for our

audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit/loss, total comprehensive income/ loss, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 it appears from our examination of these books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 on its financial position in its standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For A. N. GARG & COMPANY**

Chartered Accountants  
FRN- 004616N

**A. N. GARG**

(FCA, Partner)  
M.No.-083687  
Place: NEW DELHI  
Date: 27.06.2020  
UDIN: 20083687AAAADR8309

**To the Independent Auditor's Report**

**(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**To the Members of Hi-Tech Pipes Limited**

We have audited the internal financial controls over financial reporting of HI-TECH PIPES Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone/standalone Ind AS (retain as applicable) financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company 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 issued by the Institute of Chartered Accountants of India". 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 respective company 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 Companies Act, 2013

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards

on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the criteria for internal financial control over financial reporting established by the respective 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 Institute of Chartered Accountants of India".

### **For A. N. GARG & COMPANY**

Chartered Accountants  
FRN- 004616N

### **A. N. GARG**

(FCA, Partner)  
M.No.-083687  
Place: NEW DELHI  
Date: 27.06.2020  
UDIN: 20083687AAAADR8309



**To the Independent Auditor's Report**

**The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date to the financial statements of the company for the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:-

- (i) (a) -The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the management at reasonable intervals; any material discrepancies were not noticed on such verification;
  - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies were not noticed. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.
- (iii) As informed, and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanations given to us In respect of loans, investments, guarantees, and security, have been complied with (wherever applicable on the company) necessary provision of section 185 & 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year to which directives issued by the Reserve Bank of India and provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there

under.

- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2016, as amended, prescribed by the Central Government under sub - section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) As explained to us and as per the books and records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Wealth Tax, Sales Tax, GST, Excise duty, Cess and other statutory dues have been generally deposited with the appropriate authority on regular basis.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, GST, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us by the management and relied upon by us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Sales Tax, GST, Excise duty & Cess, which have not been deposited on account of any dispute except the following Statutory dues, which have not been deposited on account of dispute and same is pending before appropriate authority as follows:

Sl. No.	Name of the Statute	Nature of Dues	Amount Disputed (Rs. in Lakhs)	Period to which dues Related	Authority where the dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The Constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been challenged.	128.98	November, 2008 to March 2011	Before the High court Allahabad
2.	UP-VAT	Sales Tax	20.53	2012-13	Before the Additional Commissioner (Appeal) of Commercial Tax Authority, Ghaziabad, Uttar Pradesh
3.	UP-VAT	Sales Tax	22.74	2013-14	

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues of banks or financial institutions. The Company did not have any outstanding in respect of debentures during the year.
- (ix) In our opinion and according to the information and explanations given by the management the company has utilized the money raised by way of initial public issue offer/further public offer and the term loans during the year for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion on the basis of information and explanations given by the management, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) During the year the company has made conversion of fully convertible warrants into equivalent number of equity shares on preferential allotment of 2,25,000 equity shares to the promoters as per provision of the Company Act and ICDR Regulation.
- (xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanations given by the management, provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to company.

**For A. N. GARG & COMPANY**

Chartered Accountants  
FRN- 004616N

**A. N. GARG**

(FCA, Partner)  
M.No.-083687  
Place: NEW DELHI  
Date: 27.06.2020  
UDIN: 20083687AAAADR8309



## STANDALONE BALANCE SHEET

As At 31st Mar 2020

(Rs. in Lacs)

DESCRIPTION	Note No.	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipments	2	13,374.12	12,894.92
(b) Capital Work-in-Progress	3	2,146.92	218.19
(c) Intangible assets	4	4.75	8.25
(d) Financial Assets			
(i) Investments	5	348.30	348.20
(iii) Loans	6	950.93	731.42
(e) Other non-current assets	7	70.08	98.74
<b>Total Non-Current Asset</b>		<b>16,895.10</b>	<b>14,299.73</b>
<b>Current Assets</b>			
(a) Inventories	8	13,990.88	12,006.72
(b) Financial Assets			
(i) Trade receivables	9	11,285.81	9,392.85
(ii) Cash and cash equivalents	10	64.78	71.19
(iii) Bank balances other than (ii) above	11	1,722.50	1,492.50
(c) Other current assets	12	2,309.77	2,297.98
<b>Total Current Assets</b>		<b>29,373.74</b>	<b>25,261.24</b>
<b>Total Assets</b>		<b>46,268.84</b>	<b>39,560.96</b>
<b>II EQUITY AND LIABILITIES:</b>			
<b>Shareholders Funds</b>			
(a) Equity Share Capital	13	1,092.61	1,070.11
(b) Other Equity	14	13,893.69	11,869.54
<b>Total Equity</b>		<b>14,986.30</b>	<b>12,939.65</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	5,998.24	4,309.21
(ii) Other financial liabilities	16	81.87	94.79
(b) Provisions	17	92.69	60.08
(c) Deferred tax liabilities (Net)	18	1,119.43	1,058.83
<b>Total Non-Current Liabilities</b>		<b>7,292.24</b>	<b>5,522.91</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	16,683.65	13,658.02
(ii) Trade payables	20	5,486.54	5,764.08
(iii) Other financial liabilities	21	1,337.73	1,031.75
(b) Other current liabilities	22	147.71	89.54
(c) Provisions	23	320.25	267.19
(d) Current Tax Liabilities (Net)	18	14.42	287.81
<b>Total Current Liabilities</b>		<b>23,990.30</b>	<b>21,098.39</b>
<b>Total Liabilities</b>		<b>31,282.54</b>	<b>26,621.30</b>
<b>Total Equity &amp; Liabilities</b>		<b>46,268.84</b>	<b>39,560.96</b>

See the accompanying notes to the standalone financial statements

As per our report of even date

**For A.N. GARG & COMPANY**

Chartered Accountants  
FRN - 004616N

**A.N. GARG**

(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th, 2020

For and on behalf of Board of Directors

**Ajay Kumar Bansal**

Managing Director  
DIN : 01070123

**Arvind Bansal**

Chief Financial Officer

**Anish Bansal**

Director  
DIN : 00670250

**Arun Kumar**

Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st Mar 2020

Particulars	Note	(Rs. in Lacs)	
		Year Ended 31.03.2020	Year ended 31.03.2019
<b>I</b> Revenue from operations	24	96,706.39	111,761.26
<b>II</b> Other income	25	124.99	134.37
<b>III Total income (I + II)</b>		<b>96,831.38</b>	<b>111,895.63</b>
<b>IV Expenses:</b>			
Cost of materials consumed	26	88,050.80	98,692.05
Purchases of stock-in-trade	26	1,240.30	2,881.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	-1,298.00	863.05
Employee benefits expense	27	1,307.80	1,030.01
Finance costs	28	2,423.49	2,303.58
Depreciation and Amortization Expenses	29	504.20	413.50
Other expenses	30	2,966.09	2,858.33
<b>Total expenses</b>		<b>95,194.68</b>	<b>109,041.55</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>1,636.70</b>	<b>2,854.08</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>1,636.70</b>	<b>2,854.08</b>
<b>VIII Tax expense/(benefit):</b>			
Current tax	18	166.00	609.11
Deferred tax	18	61.00	426.56
Previous Year Adjustments		5.88	-
		<b>232.88</b>	<b>1,035.66</b>
<b>IX Profit/(loss) for the years (VII-VIII)</b>		<b>1,403.82</b>	<b>1,818.41</b>
<b>X Other comprehensive income</b>			
<b>A</b> i) Items that will not be reclassified to profit or loss viz Remasurement of the Defined Benefits Plan to Employees		-	25.99
ii) Income tax relating to items that will not be reclassified to profit or loss		-	9.00
<b>Total (A)</b>		-	16.99
<b>B</b> i) Items that will be reclassified to profit or loss			
(a) The effective portion of gains and loss on hedging instruments		-	-
(b) Changes in Foreign Currency Monetary Item translation difference		-	-
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total (B)</b>		-	-
<b>Total Other comprehensive income / (loss) (A+B)</b>		-	16.99
<b>XI Total comprehensive income / (loss) (IX + X)</b>		<b>1,403.82</b>	<b>1,835.40</b>
<b>XII Earnings per equity share of Re. 10/- each</b>			
Basic		12.97	17.20
Diluted		12.97	16.28

See the accompanying notes to the standalone financial statements

As per our report of even date

**For A.N. GARG & COMPANY**  
Chartered Accountants  
FRN - 004616N

**A.N. GARG**  
(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th, 2020

For and on behalf of Board of Directors

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary



## STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MAR 2020

(Rs. in Lacs)

PARTICULARS	For the year ended		For the year ended	
	31.03.2020		31.03.2019	
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax and Extra Ordinary Activity</b>		1636.70		2854.08
Add/(Less) Adjustments for:				
Depreciation & Amortisations	504.20		413.50	
Interest Received	(86.35)		(134.37)	
Finance Costs	2423.49		2303.58	
Other Provisions	-	2841.33	(36.27)	2546.44
<b>Operating Profit Before Working Capital Changes</b>		<b>4478.03</b>		<b>5400.52</b>
Adjustments for:-				
Increase / (Decrease) Trade Paybles	(277.53)		2263.69	
Increase / (Decrease) Current Liabilities	305.98		(27.51)	
Increase / (Decrease) Other Current Liabilities	(65.46)		(689.34)	
(Increase) / Decrease Trade Receivables	(1892.96)		(1607.81)	
(Increase) / Decrease Inventories	(1984.16)		332.23	
(Increase) / Decrease Other Current assets	195.33	(3718.81)	(0.25)	<b>271.01</b>
Cash Generated from Operations		<b>759.23</b>		<b>5671.53</b>
Direct Taxes Paid		440.00		471.00
<b>Net Cash Flow From Operating Activities</b>		<b>319.23</b>		<b>5200.53</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Decrease in Advance for Capital Assets		28.66		313.61
Investment in Wholly Owned Subsidiary		(0.10)		(47.10)
Increase/ (Decrease) in Non Current Financial assets		(12.92)		(280.03)
Bank deposits other than Cash and cash equivalents		(230.00)		(327.34)
Purchase of Fixed Assets		(2912.12)		(2802.04)
Purchase of Intangible Assest				(4.72)
<b>Net Cash Flow From Investing Activities</b>		<b>(3126.48)</b>		<b>(3147.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				

(Rs. in Lacs)

PARTICULARS	For the year ended		For the year ended	
	31.03.2020		31.03.2019	
Net Proceeds on conversion of Share Warrants		675.00		600.00
Dividend Paid (Including taxes)		(32.18)		(32.17)
Increase/ (Decrease) in Long Term Borrowings		1689.03		(207.26)
Increase/ (Decrease) in Short Term Borrowings		3025.63		(234.29)
(Increase) / Decrease Other Non Current assets		(219.51)		
Interest Received		86.35		134.37
Interest Paid		(2196.77)		(2090.54)
Other Finance Costs		(226.71)		-213.04
Net Cash Flow Used In Financing Activities		<b>2800.84</b>		<b>(2042.93)</b>
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)		<b>(6.42)</b>		<b>9.98</b>
Cash and Cash Equivalent at the Beginning of the Year		<b>71.19</b>		<b>61.21</b>
Cash and Cash Equivalent at the Closing of the Year		<b>64.78</b>		<b>71.19</b>

**See the accompanying notes to the standalone financial statements**

As per our report of even date

**For A.N. GARG & COMPANY**  
Chartered Accountants  
FRN - 004616N

**A.N. GARG**  
(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th , 2020

**For and on behalf of Board of Directors**

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAR, 2020

### A. Equity Share Capital (Refer Note 13)

(Rs in Lacs)

As at 01.04.2019	Movement during the year	As at 31.03.2020
1,070.11	22.50	1092.61

### B. Other Equity (Refer Note 14)

(Rs in Lacs)

Particulars	Reserves & Surplus					Total
	Security Premium Reserve	Retained Earnings	General Reserve	Money Received Against Share Warrant	Capital Reserve	
<b>Opening Balance as at 01 April, 2019</b>	3,246.37	4,877.58	3,145.60	600.00	-	11,869.54
Amount Received on forfeiture of Share warrants					375.00	
Amount received for conversion of warrants				675.00		
Conversion of Share Warrants into Equity				1,275.00		
Share premium on conversion of Share Warrants Into Equity share	877.50					
Dividend including DDT		(32.18)				
Profit for the Year		1,403.82				
<b>Closing Balance as at 31 Mar,2020</b>	<b>4,123.87</b>	<b>6,249.21</b>	<b>3,145.60</b>	<b>-</b>	<b>375.00</b>	<b>13,893.69</b>

### See the accompanying notes to the standalone financial statements

As per our report of even date

**For A.N. GARG & COMPANY**  
Chartered Accountants  
FRN - 004616N

**A.N. GARG**  
(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th , 2020

**For and on behalf of Board of Directors**

**Ajay Kumar Bansal**  
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DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary



# NOTES TO THE HITECH PIPES LTD. FINANCIAL STATEMENTS

## BACKGROUND

Hi-Tech Pipes Limited is a Public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi - 110034, India and principal place of business is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034, India.

The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips & Engineering Products and distribution of the same across india

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis of preparation:

#### i) Compliance with Ind AS :

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

These Financial Statements have been prepared under applicable Ind AS-Rules and Provisions of Companies Act 2013

#### ii) Accrual basis of accounting

#### iii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for certain financial assets and liabilities that are

measured at fair value

### b) Foreign currency transactions:

#### i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (Rs), which is also the functional and presentation currency of the Company.

#### 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 gain/(loss) 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 profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. 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 gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

### c) Revenue recognition:

#### i) Timing of recognition :

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the



buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company.

This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

**ii) Measurement of revenue:**

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, GST ( Goods & Service Tax ) etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not.

Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

**d) Income taxes:**

The income tax expense or credit for the period is the tax payable on the taxable income of the

current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and 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. The 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.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

**e) Government grants:**

- i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
- iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

**f) Leases:**

**As a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected

inflationary cost increases for the lessor.

**As a lessor:**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

**g) Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases

of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset 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. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives :

Asset category	Estimated useful life
Factory Buildings	30 years
Plant and equipment	15 to 30 years
Vehicle	8 to 10 years
Office equipment and furniture	5 years
Furniture & Fittings	10 years
Computers	3 to 6 years

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected

to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

**h) Intangible assets:**

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of intangible assets.

**i) Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

**j) Impairment of assets:**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal /external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to

the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

**k) Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**l) Trade receivables:**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment.

**m) Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

**n) Inventories:**

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Due allowances are

made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

**o) Investments and other financial assets:**

**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)

Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are 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 and Loss.

**Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

**Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair

value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:

Investments in subsidiary companies, associate company and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**

The Company assesses on a forward looking

basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivable 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 such receivables.

**De-recognition:**

A financial asset is de-recognised only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) 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 entity 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 de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised 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.

**Income recognition:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash

receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Financial liabilities:**

**i) Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**ii) Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

**iii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**iv) De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**p) 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.

**q) 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 profit or loss over the period of the borrowings using the effective interest method. 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.

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 profit or loss as other income | (expense).

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.

**r) Borrowing costs:**

General and specific borrowing costs 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. Other borrowing costs are expensed in the period in which they are incurred.

**s) Provisions and contingent liabilities:**

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. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



**Employee benefits:**

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

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 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State

Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plan:**

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**t) Research and Development expenditure:**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

**u) Earnings per share:**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

**v) Contributed equity:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially

adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets
- ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

**w) Regrouped/ Recast/Reclassified**

Figures of earlier year have been reclassified to conform to ind AS presentation requirement.

**x) Rounding off.**

Figures less than 50000 have been shown at actual in brackets

**y) Authorisation for issue of the Financial statement**

The Financial Statements were authorised for issue by the Board of Directors on June 27, 2020.

## 2. PROPERTY, PLANT AND EQUIPMENT

(Rs in lakhs)

Particulars	Land	Office Building	Factory Shed & Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Total Tangible Assets
<b>Gross Carrying amount as at 31.03.2019</b>	958.45	2,137.84	1,551.15	8,897.90	66.74	24.70	191.57	406.42	14,234.78
Addition	572.56	2.04	-	224.59	12.81	7.35	69.55	93.97	982.88
Disposals	-	-	-	-	-	-	-	39.71	39.71
<b>Gross Carrying amount as at 31.03.2020</b>	1,531.01	2,139.88	1,551.15	9,122.49	79.54	32.05	261.12	460.69	15,177.95
<b>Accumulated depreciation</b>									
<b>Balance as at 31.03.2019</b>	-	71.85	188.09	874.94	30.33	16.66	51.93	106.06	1,339.85
Depreciation for the year		34.39	50.73	335.59	4.67	3.91	21.46	49.95	500.70
Depreciation on Disposals	-	-	-	-	-	-	-	-36.73	-36.73
<b>Balance as at 31.03.2020</b>	-	106.25	238.82	1,210.53	35.00	20.57	73.38	119.28	1,803.82
<b>Net Carrying Amount</b>									
<b>As at 31.03.2020(FAR)</b>	1,531.01	2,033.64	1,312.34	7,911.96	44.55	11.49	187.73	341.41	13,374.12
<b>As at 31.03.2019(FAR)</b>	958.45	2,065.99	1,363.07	8,022.96	36.41	8.04	139.64	300.37	12,894.93
<b>As at 31.03.2018</b>	958.45	2,070.10	1,274.24	4,979.77	24.80	5.26	72.17	180.30	9,569.52
Useful life of Assets (Years)	NA	60	30	10-30	8-15	3-6	10	10	-
Method of Depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	-

Note:

- Property, Plant & equipment have been pledged as security against certain long term borrowings of the company as at 31/3/2020 (Refer Note 15 )
- The Company has Capitalised Rs. 108.00 lakh as interest and 60.10 Lakh as Manpower charges during the Financial Year 2019-20. Capitalisation was 160.06 lakh for Interest and 96.14 lakh for Manpower for financial year 2017-18.

## 3. CAPITAL WORK-IN-PROGRESS

(Rs in lakhs)

Particulars	Office Building	Factory Shed & Building	Plant & Machinery	Total
<b>As at 31.03.2018</b>			1,030.17	1,151.55
<b>As at 31.03.2019</b>				218.19
<b>As at 31.03.2020</b>	2.22	415.24	(199.27)	2,146.92

## 4. INTANGIBLE ASSETS

(Rs in lakhs)

Intangibles Assets	Computer Software	Intangibles Total
<b>Gross Carrying amount as at 31.03.2019</b>	21.84	21.84
Additions	-	-
Disposals	-	-
<b>Gross Carrying amount as at 31.03.2020</b>	21.84	21.84
<b>Accumulated Amortisation and impairment</b>		
<b>Balance as at 31.03.2019</b>	13.59	13.59
Amortisation for the year	3.50	3.50



(Rs in lakhs)

Intangibles Assets	Computer Software	Intangibles Total
Amortisation on Disposals	-	-
<b>Balance as at 31.03.2020</b>	<b>17.09</b>	<b>17.09</b>
<b>Net Carrying Value</b>		
As at 31.03.2020	<b>4.75</b>	<b>4.75</b>
As at 31.03.2019	<b>8.25</b>	<b>8.25</b>
As at 31.03.2018	<b>7.03</b>	<b>7.03</b>
Useful life of Assets (Years)	3-5	-
Method of Depreciation	SLM	

## 5. INVESTMENTS IN SUBSIDIARIES (NON CURRENT)

Particulars	Paid Up Value	As at 31.03.2020		As at 31.03.2019	
		No. Of Shares	(Rs in lakhs)	No. Of Shares	(Rs in lakhs)
<b>A. Investment in Equity Shares (Unquoted)</b>					
<b>Subsidiaries (at cost or deemed cost)</b>					
HTL Metal Pvt. Ltd. (face value of Rs.10/- each)	Rs.10/- each	2,360,000	301.10	2,360,000	301.10
HTL ISPAT PVT. LTD	Rs.10/- each	500,000	47.10	500,000	47.10
HITECH METALEX PVT. LTD.	Rs.10/- each	1000	0.10		
<b>Total</b>			<b>348.30</b>		<b>348.20</b>
<b>Unquoted</b>					
Aggregate carryig value			348.30		348.20
<b>Investment at Cost</b>			<b>348.30</b>		<b>348.20</b>

## 6. LOANS (UNSECURED) (NON CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Loans (Considered good)</b>		
to related parties*	642.25	494.49
Security deposit	308.68	236.93
<b>Total</b>	<b>950.93</b>	<b>731.42</b>

\*Details of loans and advances in the nature of loans to subsidiaries (including interest receivable):

Name of Company	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2019
	Maximum amount outstanding during the year	Amount outstan-ding	Maximum amount outstanding during the year	Amount outstanding
HTL Metal Pvt. Ltd.	651.79	202.82	619.28	203.49
HTL Ispat Pvt Ltd.	541.42	439.43	291.00	291.00
	<b>1,193.21</b>	<b>642.25</b>	<b>910.28</b>	<b>494.49</b>

## 7. OTHER ASSETS (UNSECURED) (NON CURRENT)

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Capital Advances ( considered good)	70.08	98.74
<b>Total</b>	<b>70.08</b>	<b>98.74</b>

## 8. INVENTORIES

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Inventories</b> (at lower of cost and net realisable value)		
Raw materials	6,966.78	6,412.00
Semi-finished / finished goods	5,918.00	4,779.00
Production consumables and stores and spares	637.10	284.94
Waste & Scrap	469.00	329.00
Immovable Property	-	201.78
<b>Total</b>	<b>13,990.88</b>	<b>12,006.72</b>

Inventories have been pledged as security against certain bank borrowings of the company (Refer note 19)

## 9. TRADE RECEIVABLES (CURRENT)

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Unsecured (considered good)	11,285.81	9,392.85
<b>Total</b>	<b>11,285.81</b>	<b>9,392.85</b>

- The credit period on sale of goods ranges from 30 to 60 days without securities. No interest is charged on trade receivables.
- Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.
- The company does not generally hold any collateral or other credit enhancements over the balances.
- Trade receivables have been given as collateral toward borrowings (refer security note below Note 19)

## 10. CASH AND CASH EQUIVALENTS

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Balance with banks in current accounts	8.85	10.07
Cash on hand	55.93	61.13
<b>Total</b>	<b>64.78</b>	<b>71.19</b>

## 11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Earmarked balances</b>		
In current accounts	0.61	0.55
In margin money	1,721.89	1,491.95
( with maturity more than 3 months but less than 12 months ) at inception		
<b>Total</b>	<b>1,722.50</b>	<b>1,492.50</b>



11.1 Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks

## 12. OTHER CURRENT ASSETS (UNSECURED)

(considered Good)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advances to suppliers & others	1,703.31	1,727.88
Balance with Government authorities	567.73	537.23
Prepayment & others	38.73	32.86
<b>Total</b>	<b>2,309.77</b>	<b>2,297.98</b>

## 13. EQUITY SHARE CAPITAL

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	Number of Share (No's in Lacs)		Amount (Rs in lakhs)	
<b>Share Capital</b>				
<b>(a) Authorised :</b>				
Equity shares of the par value of Rs.10/- each	140.00	140.00	1,400.00	1,400.00
<b>(b) Issued and subscribed: (A)</b>				
Outstanding at the beginning of the year	107.01	105.01	1,070.11	1,050.10
<b>(c) Fresh Issue during the year through preferential allotment</b>	-	-	-	-
<b>(d) Conversion of Equity Warrants into Equity Shares</b>	2.25	2.00	22.50	20.00
<b>(d) Outstanding at the end of the year</b>	109.26	107.01	1,092.61	1,070.10
<b>Total (A+B+C)</b>	<b>109.26</b>	<b>107.01</b>	<b>1,092.61</b>	<b>1,070.10</b>

a) The Movement of Share Capital in Subscribed and Paid up Share Capital is set out as below

(in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	Number of Share		Amount (Rs In lakhs)	
Equity shares of Rs.10/- each fully paid up as on 1 April	107.01	105.01	1,070.11	1,050.10
Add: Fresh Equity Shares Issued on preferential basis during the year**	-	-	-	-
Add: Conversion of Equity Warrants into Equity Share	2.25	2.00	22.50	20.00
<b>Equity shares - closing as on 31 March</b>	<b>109.26</b>	<b>107.01</b>	<b>1,092.61</b>	<b>1,070.10</b>

b) \*\*Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares and carry a right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shareholders holding more than 5% share in the company are set out below:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Share	% of Share	Number of Share	% of Share
Ajay Kumar Bansal	1,530,677	14.01%	1,520,677	14.21%
Parveen Bansal	1,039,200	9.51%	1,019,200	9.52%
Vipul Bansal	837,600	7.67%	827,600	7.73%
Anish Bansal	1,066,600	9.76%	767,600	7.17%
AKS Buildcon Pvt. Ltd.	552,000	5.05%	552,000	5.16%
Ajay Kumar & Sons (HUF)	520,800	4.77%	520,800	4.87%
Hi- Tech Agrovision Pvt. Ltd.	516,000	4.72%	516,000	4.82%
Shweta Bansal	551,200	5.04%	551,200	5.15%

d) For the period of five years immediately preceding the date of Balance Sheet.

Aggregate number & class of shares allotted by the company as fully paid up pursuant to contracts without receipt of cash: **NIL**

Aggregate number & class of shares bought back by the company : **NIL**

Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares

Particulars	2015-16	2013-14	Total
Fully paid up Equity shares by way of Bonus Shares (Face Value of Rs.10/- each)	3,785,550	2,340,000	6,125,550

14. OTHER EQUITY

Particulars	(Rs in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Securities premium account	4,123.87	3,246.37
Retained earnings	6,249.21	4,877.58
General reserve	3,145.60	3,145.60
Capital Reserve	375.00	-
Share Warrants	-	600.00
<b>Total</b>	<b>13,893.69</b>	<b>11,869.55</b>

(i) Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

(ii) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

(iii) Capital Reserve

The Company had allotted 8,00,000 Fully Convertible Warrants at a price of Rs.100 being 25% of issue price of Rs.400/- on March, 2018 out of which the allottees had converted their 4,25,000 FCW's into 4,25,000 Equity Shares within the period of 18 Months and 3,75,000 FCW's were left pending for conversion. Hence, the Company has forfeited the allotment money of Rs.3,75,00,000 (Rs. Three Crore Seventy Five Lakhs) for 3,75,000 FCW's and transferred the same in the Capital Reserve Account.



## 15. BORROWINGS (NON-CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Term Loans:</b>		
From Bank	4,922.84	3,487.95
From Others	335.77	475.96
<b>Vehicle Loans</b>	208.88	196.45
<b>Total (A)</b>	<b>5,467.50</b>	<b>4,160.36</b>
<b>Unsecured</b>		
From Director	400.00	-
From others	73.80	83.65
<b>Intercompany Borrowings:</b>		
Loan from Related Parties	73.55	73.55
Loan from Body Corporate	-	-
<b>Total (B)</b>	<b>547.36</b>	<b>157.20</b>
<b>Unamortised upfront fee on Secured Borrowing ('C')</b>	<b>-16.61</b>	<b>-8.34</b>
<b>Total (A) + (B) + ('C')</b>	<b>5,998.24</b>	<b>4,309.21</b>

Particulars	As at 31.03.2020		As at 31.03.2019	
	non current	current	non current	current
<b>Term Loans:</b>				
From Bank	4,922.84	1085.36	3,487.95	756.2
From Others	335.77	131.65	475.96	131.65
Vehicle Loans	208.88	47.99	196.45	49.2
<b>Total</b>	<b>5,467.50</b>	<b>1265</b>	<b>4,160.36</b>	<b>937.04</b>

- A Term Loan aggregating to Rs. 4922.84 Lacs (Non current) , Rs. 1085.36 Lacs (current) (PY Rs. 3487.95 Lacs Non Current & Rs. 756.2 Lacs Current) are secured. Some of these loans are secured by Equitable Mortgage of land & Building and/or Hypothecation of plant & machinery of its manufacturing units situated at plot No. 10 & 16 at Sikandrabad, Sanad, Gujrat and personnel guarantee of promoter Director. some of these loans are secured by Equitable mortgage on company's commercial property. these loans are repayable in monthly or quarterly installments along with interest.
- B Term Loan aggregating to Rs. 335.77 Lacs ( Non Current ) RS. 131.65 Lacs (Current) ( P.Y Rs. 475.96 Lacs Non current & RS. 131.65 Lacs Current) are secured by Equitable Mortgage on plant & Machinery being financed. These term loans are repayable in monthly installments along with interest.
- C Term Loan aggregating to Rs. 208.88 Lacs ( Non Current ) Rs. 47.99 Lacs (Current ) (P.Y Rs. 196.45 Lacs Non Current & Rs. 49.20 Lakhs Current) are secured by specific charge on the vehicle hypothecated against these loans. These term loans are repayable in monthly installments along with interest.

## 16. OTHER FINANCIAL LIABILITIES (NON CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits	81.87	94.79
<b>Total</b>	<b>81.87</b>	<b>94.79</b>



## 17. PROVISIONS (NON-CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
Provision for Leave encashment (refer note- 33)		12.74		6.70
Provision for Gratuity (refer note- 33)		79.95		53.38
<b>Total</b>		<b>92.69</b>		<b>60.08</b>

## 18. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2019-20 is 16.69%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

### (a) Income tax expense / (benefits)

(Rs in lakhs)

Particulars	For the year ended	
	31.03.2020	31.03.2019
<b>Current tax :</b>		
Current tax (MAT)	166.00	609.11
Tax refund / reversal pertaining to earlier years	-	-
	<b>166.00</b>	<b>609.11</b>
<b>Deferred tax :</b>		
Deferred tax	61.00	426.56
MAT credit entitlement	-	-
(Restoration)/reversal of MAT credit entitlement	-	-
Tax provision/(reversal) for earlier years	6.00	-
<b>Total deferred tax etc.</b>	<b>67.00</b>	<b>426.56</b>
<b>Total Tax expense / (benefit)</b>	<b>233.00</b>	<b>1,035.67</b>

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

(Rs in lakhs)

Particulars	For the year ended	
	31.03.2020	31.03.2019
Profit/loss before tax	1,636.70	2,854.08
Enacted tax rate in India	25.17%	34.61%
<b>Expected income tax expense / (benefit) at statutory tax rate</b>	<b>412.00</b>	<b>987.80</b>
Depreciation under Income Tax Act	(271.00)	(391.06)
Expenses not deductible in determining taxable profits	25.00	12.43



(Rs in lakhs)

Particulars	For the year ended	
	31.03.2020	31.03.2019
Deductions allowed under tax Laws	-	-
Others	-	-
Tax expense for the Current year	<b>166.00</b>	<b>609.11</b>
MAT on PBT @ 21.34%	<b>166.00</b>	<b>609.11</b>
Tax expense pertaining to current year	<b>166.00</b>	<b>609.11</b>
<b>Effective income tax rate</b>	10.14%	21.34%

**Deferred tax assets / (liabilities)**

Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax liabilities (net)	(1,119.43)	(1,058.83)
<b>Total</b>	<b>(1,119.43)</b>	<b>(1,058.83)</b>

(Rs in lakhs)

Deferred tax balance in relation to	As at 31.03.2019	Recognised / reversed through P/L	Recognised in / reclassified from other OCI	As at 31.03.2020
Property, plant and equipment	(1,071.66)	(54.85)	-	(1,126.51)
Provisions for employee benefit / loans, advances and guarantees	12.83	(5.75)	-	7.08
<b>Total</b>	<b>(1,058.83)</b>	<b>(60.60)</b>	-	<b>(1,119.43)</b>

(Rs in lakhs)

Deferred tax balance in relation to	As at 31.03.2018	Recognised / reversed through P/L	Recognised in / reclassified from other OCI	As at 31.03.2019
Property, plant and equipment	(684.04)	(387.62)	-	(1,071.66)
Provisions for employee benefit / loans, advances and guarantees	20.72	(7.89)	-	12.83
<b>Total</b>	<b>(663.32)</b>	<b>(395.51)</b>	-	<b>(1,058.83)</b>

**19. BORROWINGS (CURRENT)**

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Working capital loans from banks (secured)	16,683.65	13,658.02
<b>Total</b>	<b>16,683.65</b>	<b>13,658.02</b>

**Working capital loan are secured by :-**

Working capital facilities availed are secured by first pari passu charge on entire current assets of the company and second pari passu on moveable fixed assets of the company. These credit facilities are further secured by personal guarantee of promoter-directors of the company.

## 20. TRADE PAYABLES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Raw Material	5,220.06	5,064.53
Other than Raw Material	266.49	699.55
<b>Total</b>	<b>5,486.54</b>	<b>5,764.08</b>

Credit Terms of these Trade Payable varies from 0-90 days.

## 21. OTHER FINANCIAL LIABILITIES (CURRENT)

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term borrowing (refer note 15)	1,265.00	937.03
Interest accrued but not due on borrowings	72.73	94.72
<b>Total</b>	<b>1,337.73</b>	<b>1,031.75</b>

## 22. OTHER CURRENT LIABILITIES

(Rs in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advances from customers	37.54	30.63
Statutory liabilities	15.39	11.76
Unclaimed dividends	0.55	0.55
Creditors for fixed assets	94.22	46.60
<b>Total</b>	<b>147.71</b>	<b>89.54</b>

## 23. PROVISIONS (CURRENT)

(Rs in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Leave encashment (refer note- 33)	1.94	1.35
Provision for Corporate Social Responsibility	42.08	-
Bonus payable	19.63	20.30
Provision for Gratuity (refer note- 33)	4.90	4.22
Current provisions	251.70	241.32
<b>Total</b>	<b>320.25</b>	<b>267.19</b>

## 24. REVENUE FROM OPERATIONS

(Rs in Lacs)

Particulars		For the Year ended	
		31.03.2020	31.03.2019
<b>Sale of products:</b>			
Domestic turnover		96,441.77	111,465.71
Export turnover		95.26	119.95
	<b>A</b>	<b>96,537.03</b>	<b>111,585.66</b>
<b>Other operating revenues</b>			
Rent		165.27	167.93
Job Work		4.09	7.67
	<b>B</b>	<b>169.36</b>	<b>175.60</b>
<b>Total</b>	<b>(A+B)</b>	<b>96,706.39</b>	<b>111,761.26</b>



## 25. OTHER INCOME

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Interest Income earned on financial assets		
Bank deposits	75.76	130.72
Other Interest income	10.60	2.20
Other Income-sale of Fixed assest	19.63	1.45
Other Income-Insurance proceeds	19.00	-
<b>Total</b>	<b>124.99</b>	<b>134.37</b>

## 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
<b>Opening Stock :</b>		
Semi finished /finished goods	2971.00	4,763.27
Rejection & Scraps	329.00	480.80
Work-in-progress	1808.00	726.98
	<b>A</b>	<b>5108.00</b>
<b>Closing stock :</b>		
Semi finished /finished goods	4333.00	2,971.00
Rejection & Scraps	469.00	329.00
Work-in-progress	1604.00	1,808.00
	<b>B</b>	<b>6406.00</b>
	<b>Total</b>	<b>C (A-B)</b>
	<b>-1298.00</b>	<b>863.05</b>
	<b>Total</b>	<b>C (A-B)</b>
	<b>-1298.00</b>	<b>863.05</b>

### 26.1. COST OF MATERIALS CONSUMED

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Indigenous Raw Material & stores	88050.80	98,692.05
<b>Total</b>	<b>88050.80</b>	<b>98,692.05</b>

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Salaries and wages	1142.53	894.59
Contribution to provident and other funds ( refer note 33 )	48.70	71.46
Provisions for Employees Benefits	72.36	23.05
Staff welfare expenses	44.21	40.91
<b>Total</b>	<b>1307.80</b>	<b>1,030.01</b>

## 28. FINANCE COSTS

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Interest expenses on borrowings	2196.77	2,090.54
Other borrowing costs	226.71	213.04
<b>Total</b>	<b>2423.49</b>	<b>2,303.58</b>

## 29. DEPRECIATION AND AMORTIZATION

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Tangible assets	500.70	410.00
Intangible assets	3.50	3.50
<b>Total</b>	<b>504.20</b>	<b>413.50</b>

## 30. OTHER EXPENSES

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Power and fuel	1440.65	1554.03
Rent	23.36	16.96
<b>Repairs and maintenance</b>		
Plant and equipment	19.75	19.72
Buildings	34.47	21.02
Others	39.92	97.03
Sales Promotion	123.82	64.28
Fee & Subscription	24.24	14.96
Insurance	48.50	48.13
Carriage and freight	613.89	457.91
Job work and processing charges	0.00	67.07
Commission on sales	77.90	33.11
Travelling and Conveyance	132.61	184.09
Legal or Professional Consultation Charges	60.23	90.45
Vehicle Running and Maintenance	85.64	44.57
Security Services	56.40	44.05
Miscellaneous expenses	184.71	100.96
<b>Total</b>	<b>2966.09</b>	<b>2858.33</b>

Provision for CSR for FY 20 was Rs. 42.08 Lacs (previous year Rs.19.91 Lacs) is included in Misc. Expenses  
Auditors remuneration (excluding GST/Service Tax ) included in miscellaneous expenses :

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
As Audit fees (including limited review)	17.06	16.50
For Tax audit fees	1.00	1.00
<b>Total</b>	<b>18.06</b>	<b>17.50</b>



### 31. EARNINGS PER SHARE (EPS)

(Rs in Lacs)

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Profit/(Loss) attributable to Equity shareholders (₹ in crores) (A)	1403.82	1835.40
<b>Weighted average number of Equity shares for basic EPS (B)</b>	108.20	106.73
Effect of Dilution :		
Equity share outstanding	-	107.01
Weighted average number of Treasury shares held through Convertible Warrant	-	6.00
<b>Weighted average number of Equity shares adjusted for the effect of dilution ( C )</b>	108.20	112.74
Basic EPS (Amount in ₹) (A/B)	12.97	17.20
Diluted EPS (Amount in ₹) (A/C)	12.97	16.24
Face value per Share	Rs.10/-	Rs.10/-

### 32. SEGMENT REPORTING

In accordance with the provisions of Ind AS 108 -Operating Segment, the operations of the company falls under manufacturing of Steel Tubes & Pipes and which is also considered to be the reportable segment by management.

### 33. EMPLOYEE BENEFITS

- a) **Defined Contribution Plans, Contribution to Defined Contribution Plans, recognized as an Expenses for the year is as under:**

Particulars	For the Year Ended 31-03-2020	For the Year Ended 31-03-2019
Employers' Contribution to Provident Fund (includes pension Fund)	29,34,706	24,35,986
Employer's Contribution to Employee State Insurance	19,35,157	21,10,656

- b) **Defined Benefit Plans**

The Company has funded the Gratuity Liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to maximum of Rs.20 Lakhs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 year.

The Plan in India is actually expose the Company to actuarial risk such as: Investment Risk, Interest Rate Risk, Longevity Risk and Salary Risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields, if the return on plan asset is below this rate, it will create a plan deficit.

**Interest Risk:** A decrease in bond interest rate will increase the plan Liability; however this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity Risk:** The present value of the defined benefit liability is calculated by the reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such the increase in the salary of plant participant will increase the plan liability.

There are no other post retirement benefit provided to employees

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2020 by Mr. SaketSinghal (Fellow- Institute of Actuaries of India). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

## Summary of Financial Results

### Executive Summary

Amount Recognized in Statement of Financial Position at Period - End	31/03/2019	31/03/2020
Present value of Defined Benefit Obligation	57,60,055	80,84,956
Fair value of Plan Assets	--	--
	<b>57,60,055</b>	<b>80,84,956</b>
Unrecognized Asset due to the Asset Ceiling	--	--
Net Defined Benefit (Assets) / Liability Recognized in Statement of Financial Position	<b>57,60,055</b>	<b>80,84,956</b>

### 1. Change in Defined Benefit Obligation

	31/03/2019	31/03/2020
a) Defined Benefit obligation, beginning of period	66,38,455	57,60,055
b) Interest Cost on DBO	5,19,127	4,50,436
c) Net Current Service Cost	13,53,395	18,36,087
d) Actual Plan Participants' Contributions	--	--
e) Benefits Paid	(1,52,074)	(5,33,182)
f) Past Service Cost	--	--
g) Changes in Foreign Currency Exchange Rates	--	--
h) Acquisition /Business Combination / Divestiture	--	--
i) Losses / (Gains) on Curtailments / Settlements	--	--
j) Actuarial (Gain)/Loss on obligation	(25,98,848)	5,71,560
k) Defined Benefit Obligation, End of Period	<b>57,60,055</b>	<b>80,84,956</b>

### 2. Change in Fair Value of Plan assets

	31/03/2019	31/03/2020
a) Fair value of plan assets at the beginning	--	--
b) Expected return on plan assets	--	--
c) Employer contribution	--	--
d) Actual Plan Participants' Contributions	--	--
e) Actual Taxes Paid	--	--
f) Actual Administration Expenses Paid	--	--
g) Changes in Foreign Currency Exchange Rates	--	--
h) Benefits paid	--	--
i) Acquisition /Business Combination / Divestiture	--	--
j) Assets Extinguished on Curtailments / Settlements	--	--
k) Actuarial (Gain)/Loss on Asset	--	--
l) Fair value of plan assets at the end.	--	--



### 3. Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End

		31/03/2019	31/03/2020
a)	Service Cost	13,53,395	18,36,087
b)	Net Interest Cost	5,19,127	4,50,436
c)	Past Service Cost	--	--
d)	Administration Expenses	--	--
e)	(Gain)/Loss due to settlements / Curtailments / Terminations / Divestitures	--	--
f)	Total Defined Benefit Cost/(Income) included in Profit & Loss	<b>18,72,522</b>	<b>22,86,523</b>

### 4. Analysis of Amount Recognized in Other Comprehensive (Income)/Loss at Period - End

		31/03/2019	31/03/2020
a)	Amount recognized in OCI, (Gain) / Loss Beginning of Period	(30,43,978)	(56,42,826)
b)	Remeasurements Due to :		
	1.Effect of Change in Financial Assumptions	(26,637)	9,62,472
	2.Effect of Change in Demographic Assumptions	--	(5388)
	3.Effect of Experience Adjustments	(26,25,485)	(3,85,524)
	4.(Gain)/Loss on Curtailments/Settlements	--	--
	5.Return on Plan Assets (Excluding Interest)	--	--
	6.Changes in Asset Ceiling	--	--
c)	Total Remeasurements Recognised in OCI (Gain)/Loss	(25,98,848)	5,71,560
d)	Amount Recognized in OCI (Gain)/Loss, End of Period	(56,42,826)	(50,71,266)

### 5. Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income)

		31/03/2019	31/03/2020
a)	Amount recognized in P&L, End of Period	18,72,522	22,86,523
b)	Amount recognized in OCI, End of Period	(25,98,848)	5,71,560
c)	Total Net Defined Benefit Cost/(Income) Recognized at Period-End	(7,26,326)	28,58,083

### 6. Reconciliation of Balance Sheet Amount

		31/03/2019	31/03/2020
a)	Balance Sheet (Asset)/Liability, Beginning of Period	66,38,455	57,60,055
b)	True-up	--	--
c)	Total Charge/(Credit) Recognised in Profit and Loss	18,72,522	22,86,523
d)	Total Remeasurements Recognised in OC (Income)/Loss	(25,98,848)	5,71,560
e)	Acquisition /Business Combination / Divestiture	--	--
f)	Employer Contribution	--	--
g)	Benefits Paid	(1,52,074)	(5,33,182)
h)	Other Events	--	--
i)	Balance Sheet (Asset)/Liability, End of Period	57,60,055	80,84,956



#### 7. Actual Return on Plan Assets

	31/03/2019	31/03/2020
a) Expected return on plan assets	--	--
b) Remeasurement on Plan Assets	--	--
c) Actual Return on Plan Assets	--	--

#### 8. Change in the Unrecognised Asset due to the Asset Ceiling During the Period

	31/03/2019	31/03/2020
a) Unrecognised Asset, Beginning of Period	--	--
b) Interest on Unrecognised Asset Recognised in P&L	--	--
c) Other changes in Unrecognised Asset due to the Asset Ceiling	--	--
d) Unrecognized Asset, End of Period	--	--

#### 9. The Major Categories of Plan Assets

	31/03/2019	31/03/2020
a) Government of India Securities (Central and State)	--	--
b) High Quality Corporate Bonds (Including Public Sector Bonds)	--	--
c) Equity Shares of listed companies	--	--
d) Cash (Including Bank Balance, Special Deposit Scheme)	--	--
e) Funds Managed by Insurer	--	--
f) Others	--	--
Total	--	--

#### 10. Current / Non Current Bifurcation

	31/03/2019	31/03/2020
a) Current liability	4,21,950	4,89,926
b) Non-Current liability	53,38,105	75,95,030
c) Net Liability	57,60,055	<b>80,84,956</b>

#### 11. Defined Benefit Obligation by Participant Status

	31/03/2020
a) A. Actives	80,84,956
b) B. Vested Deferreds	--
c) C. Retirees	--
d) Total Defined Benefit Obligation	80,84,956

#### 12. Sensitivity Analysis

	31/03/2020
a) Defined Benefit Obligation - Discount Rate +100 Basis Points	(9,22,225)
b) Defined Benefit Obligation - Discount Rate -100 Basis Points	11,16,917
c) Defined Benefit Obligation - Salary Escalation Rate +100 Basis Points	11,31,753
d) Defined Benefit Obligation - Salary Escalation Rate -100 Basis Points	(9,48,658)



## 6. Actuarial Valuation Assumptions Used for Valuation

Financial Assumptions Used to Determine the Profit & Loss Charge	31/03/2019	31/03/2020
a) Discounting Rate	7.82 P.A.	6.77 P.A.
b) Salary Escalation Rate	4.50 P.A.	4.50 P.A.
c) Expected Rate of Return on Assets	0.00 P.A.	0.00 P.A.

Demographic Assumptions Used to Determine the Defined Benefit	31/03/2019	31/03/2020
a) Retirement Age	60 Years	60 Years
b) Mortality Table (IALM)	[2006 – 2008]	2012-2014
c) Employee Turnover / Attrition Rate		
18 to 30 Years	2.00 %	2.00 %
30 to 45 Years	2.00 %	2.00 %
Above 45 Years	1.00 %	1.00 %

## 34. FINANCIAL INSTRUMENTS

### a) Capital Risk Management

The company's capital requirements are mainly to fund its expansion, working capital and strategic acquisition. The principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowings from bank and the funds from capital market. The company is not subject to any externally imposed capital requirements.

The company regularly consider other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The company monitors its capital gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other cash and cash equivalents.

Particulars	As at 31-03-2020	As at 31-03-2019
Long term borrowings	599,824,371	430,921,259
Current maturities of long term debts	126,500,000	93,703,000
short term bottowings	1,668,365,282	1,365,802,142
Less: Cash and Cash equivalents	(6,478,444)	(7,119,240)
Less: Bank balances other than cash and cash equivalents	(172,250,019)	(149,249,890)
Net Debt	2,215,961,189	1,734,057,272
Total Equity	1,498,629,527	1,293,965,321
Gearing Ratio	1.48	1.34

- Equity includes all capital and reserves of the Company that are managed as capital.
- Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 15 and 19.

### b) Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for the Risk Management Framework and developing and monitoring the Company's risk management policy. The risk management policies are established to ensure timely identification and evaluation of risks.

setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

**c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates.

**d) Commodity price risk:**

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by the company. These prices may be influenced by factors such as supply and demand, production costs (including the cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company purchases the steel and other building products in the open market from third parties in prevailing market price. The Company is therefore subject to fluctuations in the prices of HR Coils, Zinc etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

**e) 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 since funds are borrowed at 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. The risk is managed by the Company by keeping a close watch on the market variables and time to time negotiations with the Bankers for reduction of rate of interest.

**f) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

**Trade receivables:**

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

### g) Liquidity risk management

Liquidity risk refers to the risk of financial distress extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for: term operational needs as well as for capex purposes. The Company generates sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continue monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. A table showing maturity profile of the Financial Assets & Liabilities has been placed on the website of the company.

### h) Fair Valuation of Financial Instrument

Carrying value and Fair Value of Financial Instrument as on 31-03-2018, 31-03-2017 and 01-04-2016 is the same & there is no difference therein.

## 35. OPERATING LEASE

### a) As Lessor:

The company has entered into leasing arrangements for renting of a building admesuring approximately 1262 Square meter at the rate of Rs. 870/- per SM monthly For the period of 12 months, which is renewable.

#### Disclosure in respect of assets (building) given on operating lease:

Particulars	As at 31-03-2020	As at 31-03-2019
Gross carrying amount of assets	37,180,995	37,180,995
Accumulated Depreciation	7,082,989	6,629,580
Depreciation for the year	453,409	453,409

### b) As Lessee:

Various building have been taken on operatin lease with lease term for 11 months for office primises, storage space & employee residence which are renewable on a periodic basis by mutual consent of both parties. All the operating lease are cancelable by either parties for any reason by giving a prior notice. There is no restriction imposed by lease aggrements, such as those concerning dividens, additional debts.

#### Lease payments recognised under rent expenses is as follows:

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Minimum lease payment made on operating lease	2,335,682	1,695,677

### 36. RELATED PARTY DISCLOSURES

#### A. Name of Related Parties and nature of relationship:

<b>1</b>	<b>Associate enterprise over which key management personnels and their relative exercise significant influence</b>	1. Hitech Agro Vision Pvt Ltd 2. AKS Buildcon Pvt Ltd 3. Hi-tech Saw Pvt Ltd
<b>2</b>	<b>Subsidiaries</b>	1. HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary) 2. HTL Ispat Pvt Ltd. (Wholly Owned Subsidiary) 3. Hi-Tech Metalex Pvt. Ltd. (wholly owned subsidiary)
<b>3</b>	<b>Key Management Personnel (KMP)</b>	1. Sh. Ajay Kumar Bansal as Managing Director 2. Sh. Anish Bansal as Whole time Director 3. Sh. Arvind Bansal, Chief Financial Officer 4. Sh. Arun Sharma, CS & Compliance Officer
<b>4</b>	<b>Relatives of Key Management Personnel</b>	1. Vipul Bansal is as Relatives of Managing Director 2. Rakesh Bansal is as Relatives of Managing Director

#### B Transactions with related parties & Outstanding balance

(Rs in Lacs)

Particulars			Value of Transaction	
			FY 2019-20	FY 2018-19
1	Remuneration paid to Key Management Personnel		180.00	118.44
2	Outstanding balance of Key Management Personnel	<b>Cr Bal</b>	473.80	83.65
3	Outstanding balance of Relatives of Key Management Personnel	<b>Cr Bal</b>	57.82	57.82
4	Outstanding balance of Wholly owned subsidiary		642.25	494.48

In respect of above parties there is no provision for doubtful debt as on March 31st, 2020 and no amount is written off or written back during the year in respect of debt/loans and advances due from/to them.

Credit facilities of the company is further is collaterally secured by the personal gaurantee of the Promoter Directors as declared in note 15 & 19

### 37. CONTINGENT LIABILITIES:

(Rs in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Corporate Guarantee given for Subsidiaries To the extent of their secured working capital facilities		
Disputed UP Valud Added Tax Demand <sup>^</sup>	<b>43.27</b>	54.94
Bank Guarantee relating to Entry Tax*	<b>128.98</b>	128.98
Performance Bank Guarantee #	<b>151.10</b>	36.09
<b>Total</b>	<b>323.35</b>	<b>220.01</b>

Refer item (vii) of the Independent Audit Report

Relating to Entry Tax imposed by UP VAT Authorities during the FY 12 & petition thereof is pending with Hon'ble Allahabad High Court. The company is of the opinion that eventually no liability shall accrue to the company in this matter.



### 38. COMMITMENTS

(Rs in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated value of capital commitments		
<b>Total</b>	-	-

### 38A. ADDITIONAL INFORMATION

(Rs in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
a CIF Value of Imports	57.26	85.03
b Foreign Currency Earnings	-	-
c Foreign Currency Expenditure	6.24	7.80

As per our report of even date

**For A.N. GARG & COMPANY**

Chartered Accountants  
FRN - 004616N

**A.N. GARG**

(FCA, Partner)  
M. No. 083687  
Place: New Delhi  
Date: June 27th , 2020

**For and on behalf of Board of Directors**

**Ajay Kumar Bansal**

Managing Director  
DIN : 01070123

**Arvind Bansal**

Chief Financial Officer

**Anish Bansal**

Director  
DIN : 00670250

**Arun Kumar**

Company Secretary



## HI-TECH PIPES LTD.

CIN: L27202DL1985PLC019750

**Registered office:** 505, PEARLS OMAXE TOWER, NETAJI SUBHASH PLACE,  
PITAMPURA, NEW DELHI-110034

www.hitechpipes.in | info@hitechpipes.in | +91-11-48440050

## NOTICE OF 36<sup>TH</sup> ANNUAL GENERAL MEETING

**Notice** is hereby given that the Thirty Sixth Annual General Meeting of the Members of Hi-Tech Pipes Limited will be held on Saturday, the 26th day of September, 2020 at 11:00 A.M through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of members at a common venue, to transact the following businesses:

The Proceedings of the AGM shall be deemed to be conducted at the registered Office of the Company which shall be deemed to be the venue of the AGM.

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

**"RESOLVED THAT** the Audited Financial Statement (Including the Consolidated Financial Statement) of the Company for the financial year ended 31st March, 2020, the Report of the Board of Director's and the Auditor's Report thereon, be and are hereby received and adopted."

2. To approve & declare the Dividend of 25/- Paise per equity share for the Financial Year ended on March 31, 2020.

**"RESOLVED THAT** the dividend of 25/- Paise per equity share declared by the Board of Directors of the Company on 27<sup>th</sup> June, 2020 for the Financial Year ended on March 31, 2020 be and is hereby approved."

3. To Re-appoint Mr. Ajay Kumar Bansal, who liable to retires by rotation and being eligible, offers himself for re-appointment as a Director:

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) or reenactment thereof for the time being in force), Mr. Ajay Kumar Bansal (DIN 01070123), Director, who liable to retires by rotation at the 36th Annual General Meeting, be and is hereby reappointed as Director of the Company."

### SPECIAL BUSINESS:

4. Re-appointment of Ms. Tanvi Kumar as an Independent Director

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to Section 149 and read with Section 150, 152 and schedule IV and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment(s) thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Articles of Association of the Company, Ms. Tanvi Kumar (DIN 06413301), Director, who holds office up to the 19<sup>th</sup> March, 2020, be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for another term of five years i.e. from 21<sup>st</sup> April, 2020 till 20<sup>th</sup> April, 2025 [both dates inclusive]."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and Company Secretary be and is/are hereby authorized jointly/severally to do all acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 5. Ratification of Remuneration to Cost Auditor:

To consider and if deemed fit, to pass with or without modification(s), the following resolution as an **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 Rules thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the financial year 2020-21 to M/s S.Shekhar & Co, the Cost Accountants appointed by the Board of

Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, amounting to Rs.50,000/- (Rupees Fifty Thousand Only) plus applicable taxes, as may be applicable, be and is hereby ratified and confirmed.

Place: New Delhi  
Date: 20<sup>th</sup> August, 2020

**REGISTERED OFFICE:**

505, Pearls Omaxe Tower, Netaji Subhash Place, New Delhi-110034

**“RESOLVED FURTHER THAT** the Board of Directors of the Company and Company Secretary be and is/are hereby authorized jointly/severally to do all acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**For and on behalf of the Board  
For Hi-Tech Pipes Limited**

**Ajay Kumar Bansal**  
(Managing Director)  
DIN: 01070123

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM at the registered Office of the Company which shall be deemed to be the venue of the AGM.
2. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM, for which purpose the Board of Directors of the Company (‘the Board’) have engaged the services of CDSL. The Board of Directors has appointed M/s NSP & Associates, Practising Company Secretaries as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner.
3. Remote e-voting will commence at 9.00 a.m. on 23rd September, 2020 and will end at 5.00 p.m. on 25th September, 2020, after which remote e-voting will be blocked by CDSL.
4. The Scrutinizer shall immediately after the conclusion of voting at the meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting and after scrutinizing such votes received shall make a Scrutinizer’s Report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
5. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on 19th September, 2020 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
6. The Results of Remote E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer’s report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of Annual General Meeting.
7. In conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2020 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories.
8. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.



9. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution /Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to **helpdesk.evoting@cdslindia.com**
10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business as set out in the notice is annexed hereto.
11. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2020 to 26<sup>th</sup> September 2020 (Both days inclusive).
12. Members (who have shares in physical form) are requested to intimate the Registrar and Transfer Agent viz., Bigshare Services Private Limited, 302, Kushal Bazar 32-33, Nehru Place, New Delhi-110019 (RTA) or can e-mail at [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com) of any change in their address/details about their Bank Account number, Name of the Bank, Bank's Branch name and address to enable the Company to make electronic remittance of dividend or alternatively, for incorporating in the dividend warrants, in future. For shares held in dematerialized form, change in address / Bank account particulars may be intimated directly to the Member's Depository Participant(s).
13. Members holding shares in physical forms, if any, are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's Registrar and Transfer Agent, BigShare Services Private Limited, for assistance in this regard.
14. Under Section 72 of the Companies Act, 2013, members are entitled to make nomination in respect of the Shares held by them in physical mode, if any. Members desirous of making nomination are requested to send their request in Form SH-13 as per Companies Act, 2013 to the Company's RTA
15. The Members vide resolution dated 25<sup>th</sup> September, 2017 had appointed M/s. A.N. Garg & Co., Chartered Accountants (Firm Registration No.004616N), as statutory auditors of the Company from the conclusion of 33<sup>rd</sup> Annual General Meeting (2017) till the conclusion of 38<sup>th</sup> Annual General Meeting (2022) subject to ratification of such appointment by members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Thirty-Sixth AGM.
16. Dividend at the rate of 2.5% i.e 25 paise per equity share for the Financial Year ended March 31<sup>st</sup>, 2020 after declaration at the AGM shall be paid to the members within a period of 30 days whose names appears:
- As beneficial owner as at the closure of Business Hours on Saturday September 19<sup>th</sup>, 2020 (Record date).
17. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
18. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
19. Members may note that the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents mentioned herein.

**For resident shareholders**, taxes shall be deducted at source under Section 194/206AA of the IT Act, as follows:

Shareholders having valid PAN	7.5% or as notified by the Government of India
Shareholders not having PAN / invalid PAN	20% or as notified by the Government of India

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during financial year 2020-2021 does not exceed Rs.5,000 and also in cases where Members provide Form 15G (applicable to an individuals, with no tax liability on total

income and income not exceeding maximum amount which is not chargeable to tax) / Form 15H (applicable to an Individual's age of 60 years or more with no tax liability on total income) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / NIL withholding tax. PAN is mandatory for shareholders providing Form 15G / 15H or any other document as mentioned above.

**For non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, Non-Resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, Non-Resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Income Tax authorities duly attested by the Member.
- Copy of Tax Residency Certificate (TRC) for financial year 2020-2021 obtained from the revenue authorities of the country of tax residence, duly attested by Member.
- Self-declaration in Form 10F.
- Self-declaration by the Member of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the Non-Resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

In case of Foreign Institutional Investors/ Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable to surcharge and cess).

The aforementioned documents are required to be sent to the [cs@hitechpipes.in](mailto:cs@hitechpipes.in)

**In case the exemption forms are not received on or before September 19, 2020, tax will be deducted on the dividend amount, wherever applicable and no refund will be entertained by the Company**

Place: New Delhi  
Date: 20<sup>th</sup> August, 2020

**REGISTERED OFFICE:**  
505, Pearls Omaxe Tower, Netaji Subhash Place, New Delhi-110034

20. Effective April 01, 2019, transfer of Equity Shares of the Company held in physical form are not being processed and accepted in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018. Members, if any, holding Equity Shares in physical form may open a demat account with any depository participant and get their physical shareholding converted into dematerialized form. This will bring numerous advantages including convenience in managing shareholding, transfer and trading in Equity Shares.

21. As per SEBI directive, it is mandatory for the transferees to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/RTA for registration of transfer/transmission/transposition of shares in the physical form

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.hitechpipes.in](http://www.hitechpipes.in) and website of the Stock Exchanges i.e. National Stock Exchange of India Limited at [www.nse.com](http://www.nse.com)

22. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

23. the registers of Directors and Key Managerial Personal and their shareholding maintain under section 170 of the Act, and the relevant documents referred in this notice will be available electronically for inspection by the members during the AGM. All documents referred in the accompanying Notice and the Statement can be obtained for inspection by writing to the Company at its e-mail [cs@hitechpipes.in](mailto:cs@hitechpipes.in) till the date of AGM.

24. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

25. Instructions for e-voting and joining the AGM are annexed to this notice.

**For and on behalf of the Board**  
**For Hi-Tech Pipes Limited**

**Ajay Kumar Bansal**  
(Managing Director)  
DIN: 01070123

## **ANNEXURE TO THE NOTICE**

### **Details of the Director seeking re-appointment at the 36th Annual General Meeting vide item no. 3 of the notice dated 20th August, 2020**

[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The resume of Mr. Ajay Kumar Bansal, in brief and other details required to be provided pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below for the consideration of the Members:

Mr Ajay Kumar Bansal is an industry stalwart with over

36 years of experience in the steel industry. As the Chairman of FII (Steel Tube Panel) he has successfully represented the industry at various national and international forums. He handles the operations of the Company with a team of experienced professionals, through his strategic planning and identification of new growth drivers; he is the guiding force behind the Company. He can be credited for the Company's impressive track record and growth from one manufacturing unit in 1988 to four manufacturing units spread across the country.

Detailed Statement Pursuant to Regulation 36(3) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 is given at the end of this notice.

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### **Statement in respect of the Special Business under item no. 4 (pursuant to Section 102 of the Companies Act, 2013) of the Notice**

#### **Item No. 4**

Ms. Tanvi Kumar, (DIN 06413301) was originally appointed as an Independent Director of the Company by the Board of Directors on 20<sup>th</sup> March 2015 and by the shareholders at the 31<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2015. Ms. Tanvi Kumar, retired on 19<sup>th</sup> March, 2020. Further, Board of Directors of the Company has re-appointed Ms. Kumar subject to the approval of the members on 21<sup>st</sup> April, 2020 through circular resolution and it is proposed that Mrs. Tanvi Kumar be re-appointed as an Independent Director for further five years i.e. from 21<sup>st</sup> April, 2020 till 20<sup>th</sup> April, 2020. The Company has received the requisite consent and disclosure forms from her. The Company has also received a notice in writing from a Member under Section 160 of the Act in respect of Ms. Tanvi Kumar re-appointment.

Ms. Tanvi Kumar is a Partner in the Corporate and Commercial practice group in a leading Law firm Khaitan & Co. She specializes in mergers and acquisitions, joint ventures, inbound and outbound investment from India across a broad spectrum of sectors including information technology, manufacturing, hospitality and leisure and consumer goods.

In the opinion of the Board, Ms. Tanvi Kumar fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for her re-appointment as an Independent Director of the Company and is Independent of the Management. Accordingly, the Board of Directors have recommended her reappointment as an Independent Director for another term of five consecutive years, from 21<sup>st</sup> April, 2020 till 20<sup>th</sup> April, 2020 of the Company (both days inclusive). The draft letter for appointment of Ms. Tanvi Kumar as an Independent Director setting out the terms and

conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Tanvi Kumar as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Ms. Tanvi Kumar as an Independent Director, for approval by the shareholders of the Company.

Except Ms. Tanvi Kumar, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the aforesaid Special Resolution.

Detailed Statement Pursuant to Regulation 36(3) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 is given at the end of this notice.

#### **Item No. 5**

The Board of Directors of the Company on the recommendation of Audit Committee, approved the appointment and remuneration of M/s S. Shekar & Co., Cost Accountant, to conduct the audit of cost records of the Company for the financial year 2020-21.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rules 14 (a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration

payable to the Cost Auditor during the financial year 2020-21 as set out in the resolution for the aforesaid service to be rendered by him.

Place: New Delhi  
Date: 20<sup>th</sup> August, 2020

**REGISTERED OFFICE:**

505, Pearls Omaxe Tower, Netaji Subhash Place, New Delhi-110034

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the aforesaid Ordinary Resolution.

**For and on behalf of the Board**  
For **Hi-Tech Pipes Limited**

**Ajay Kumar Bansal**  
(Managing Director)  
DIN: 01070123

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **48 Hours prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at **cs@hitechpipes.in**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **48 Hours prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **cs@hitechpipes.in**. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**A. INSTRUCTIONS FOR ELECTRONIC VOTING ('e-voting')**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote on all resolutions set forth in the Notice convening the 36th Annual General Meeting to be held on Saturday, September 26, 2020, at 11:00 a.m. by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**STEPS OF EVOTING:**

- (i) The voting period begins on Wednesday September 23<sup>rd</sup>, 2020 at 9:00 a.m. and ends on Friday September 25<sup>th</sup>, 2020 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19<sup>th</sup>, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.  

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" module.
- (iv) 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.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.

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.

If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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 as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Hi-Tech Pipes Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- Note for Non - Individual Shareholders and Custodians
- (xvii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

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 **cs@hitechpipes.in**.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **cs@hitechpipes.in**.

**Instructions for e-voting during the AGM are as under:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in this AGM through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting is available only to the shareholders attending this AGM.

Place: New Delhi  
Date: 20<sup>th</sup> August, 2020

**REGISTERED OFFICE:**  
505, Pearls Omaxe Tower, Netaji Subhash Place, New Delhi-110034

**For and on behalf of the Board**  
For **Hi-Tech Pipes Limited**

**Ajay Kumar Bansal**  
(Managing Director)  
DIN: 01070123

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 36<sup>TH</sup> ANNUAL GENERAL MEETING**

<b>Details</b>	<b>Mr. Ajay Kumar Bansal</b>	<b>Ms. Tanvi Kumar</b>
Date of Birth/ Age	28 <sup>th</sup> August, 1957/62	24 <sup>th</sup> September, 1986/33
Directors Identification No.	01070123	06413301
Date of Appointment	02/01/1985	21/04/2020
Qualifications	B.Com Graduate from Delhi University	B.S.L., LL.B., ILS Law College, Pune (2009)
Brief Resume / Experience/ Expertise	Mr Ajay Kumar Bansal is an industry stalwart with over 36 years of experience in the steel industry. As the Chairman of FII (Steel Tube Panel) he has successfully represented the industry at various national and international forums. He handles the operations of the Company with a team of experienced professionals, through his strategic planning and identification of new growth drivers; he is the guiding force behind the Company. He can be credited for the Company's impressive track record and growth from one manufacturing unit in 1988 to four manufacturing units spread across the country.	Ms. Tanvi Kumar is a Partner in the Corporate and Commercial practice group in a leading Law firm Khaitan & Co. She specializes in mergers and acquisitions, joint ventures, inbound and outbound investment from India across a broad spectrum of sectors including information technology, manufacturing, hospitality and leisure and consumer goods.
Directorship / Committee Membership:	<u>Directorship</u> RAVI DEVELOPERS PVT LTD HITECH SAW PRIVATE LIMITED AKS BUILDCON PRIVATE LIMITED HI-TECH AGROVISION PRIVATE LIMITED HTL METAL PRIVATE LIMITED HTL ISPAT PRIVATE LIMITED JVS STEEL AND ENERGY PRIVATE LIMITED S.M. INFRAPROMOTERS PRIVATE LIMITED HITECH METALEX PRIVATE LIMITED  <u>Committee Membership:</u> Hi-Tech Pipes Limited - Nomination and Remuneration Committee - Stakeholders Relationship Committee Corporate Social Responsibility Committee	<u>Directorship</u> - PRIME HIRING INDIA PRIVATE LIMITED - PROSEGUR CIT INTEGRAL SYSTEMS INDIA PRIVATE LIMITED  <u>Committee Membership</u> Nil
Disclosure of relationships between directors inter- se	Mr. Ajay Kumar Bansal is Father of Mr. Anish Bansal, Executive Director of the Company.	Ms. Tanvi Kumar is not related to the other Directors and Key Managerial Personnel of the Company and their relatives
Shareholding	15,30,677 Equity Shares	Nil



# HI-TECH PIPES LTD.

**CIN: L27202DL1985PLC019750**

**Regd. Office: 505, Pearls Omaxe Tower, Netaji Subhash Place,  
Pitampura, New Delhi - 110034**

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**[www.hitechpipes.in](http://www.hitechpipes.in)**