

Date: September 10, 2024

**To,**

Listing Department  
**The National Stock Exchange of India Limited,**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East, Mumbai – 400051

Corporate Relationship Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

NSE Symbol – **HARIOMPIPE**

BSE Scrip Code- **543517**

Dear Sir/Madam,

**Sub: Regulation 34(1)(b) of SEBI (LODR) Regulations 2015 – Additions / Changes to the Annual Report for the FY 2023-24 read with Schedule V of the said Regulations:**

**Ref: Our letter / intimations dated August 31, 2024, attaching the Annual Report of the Company for the FY 2023-24:**

We refer to the above and would like to inform that the additional indicators as per Business Responsibility and Sustainability Report (BRSR) Core framework were inadvertently missed in the Annual Report for the FY 2023-24 sent to the shareholders and submitted to the stock exchanges on August 31, 2024.

In this regard, please note the following additions / changes made in the Revised Annual Report for the FY 2023-24:

1. Additional indicators, as per the BRSR framework have been included in the Annual Report for the FY 2023-24 as below:

| <b>Sections / Principles</b> | <b>Additional disclosures / Essential Indicators Nos.</b> | <b>Page No.</b> |
|------------------------------|---|-----------------|
| <b>Section A</b>             |   |                 |
| General Disclosures          | Disclosure No. 14 & 15                                    | 107             |
| <b>Section C</b>             |   |                 |
| Principle 1                  | Indicator No. 8 & 9                                       | 116 & 117       |
| Principle 3                  | Indicator No. 1(b) & 1(c)                                 | 120             |
| Principle 5                  | Indicator No. 4, 8 & 12                                   | 129 & 130       |
| Principle 6                  | Indicator No. 1 & 4                                       | 132 & 133       |
| Principle 8                  | Indicator No. 5   | 141             |
| Principle 9                  | Indicator No. 7   | 144             |

Kindly note that apart from the additions / changes mentioned above, there are no other changes in the report.

Accordingly, we are enclosing herewith the updated Annual Report of the Company for the FY 2023-24 after incorporation of the above additions / changes and the same is also available on the website of the Company at <https://www.hariompipes.com/investor-relations-annual-report-new.php>. The Revised Annual Report for the FY 2023-24 is being sent through email with the additions / changes made as aforesaid, to the shareholders of the Company.

This is for your information and record.

Thanking You

Yours sincerely,  
**For Hariom Pipe Industries Limited**

**Rekha Singh**  
Company Secretary  
M. No.: A33986

Encl: a/a



# SUSTAINABLE STEEL RESILIENT FUTURE





This Annual Report, apart from the statutory disclosures, is a narrative on Hariom Pipe Industries Ltd.'s vision for "Sustainable Steel - Resilient Future." By integrating Environmental, Social, and Governance (ESG) principles into every aspect of our operations, we practice and promote sustainable manufacturing processes that prioritize energy efficiency, water conservation, plantation initiatives, and the protection of indigenous cow breeds. Our diverse steel products drive progress across industrial, construction, and domestic sectors, enhancing societal value. With robust financial and risk management, we ensure sustained economic growth for our stakeholders, fostering innovation, sustainability, and resilience that benefit both the environment and our communities.

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# Corporate Information

CIN: L27100TG2007PLC054564

## Board of Directors

|                            |                                   |
|----------------------------|-----------------------------------|
| Mr. Pramod Kumar Kapoor    | - Chairman - Independent Director |
| Mr. Rupesh Kumar Gupta     | - Managing Director               |
| Mr. Sailesh Gupta          | - Whole-time Director             |
| Mr. Soumen Bose            | - Non-Executive Director          |
| Mrs. Sunita Gupta          | - Non-Executive Director          |
| Mr. Rajender Reddy Gankidi | - Independent Director            |
| Mrs. Sneha Sankla          | - Independent Director            |

## Key Managerial Personnel

|                          |  |
|--------------------------|--|
| Mr. Rupesh Kumar Gupta   | - Managing Director                      |
| Mr. Sailesh Gupta        | - Whole-time Director                    |
| Mr. Amitabh Bhattacharya | - Chief Financial Officer                |
| Mrs. Rekha Singh         | - Company Secretary & Compliance Officer |

## Auditors

### Statutory Auditors

M/s. R Kabra & Co., LLP,  
Chartered Accountants, 515, Tulsiani Chambers,  
Nariman Point, Mumbai – 400 021

### Internal Auditors

M/s. Ravi Ladia & Co.,  
Chartered Accountants  
#202 A, 2nd Floor, Highness Maurya, 8-2-601/P, 7&10,  
Gouri Shankar Nagar Colony, Road No. 10, Banjara Hills,  
Hyderabad – 500 034

### Cost Auditors

M/s. Seshadri & Associates  
Cost Accountants  
H.No. 3-6-288/1, 2nd Floor, Uddugally,  
Opp. Corporation Bank, Hyderguda,  
Near OLD MLA Qrts, Hyderabad - 500029, Telangana

### Secretarial Auditors

M/s. VSSK & Associates.  
Company Secretary  
H.No. 13-15, Sri Sri Nagar, Behind HUDA Park, Uppal,  
Hyderabad – 500039, Telangana, India

## Registered Office

3-4-174/12/2, 1st Floor, Samarpan, Lande Beside  
Spencer's, Pillar No. 125, Attapur, Hyderabad – 500048,  
Telangana. Telephone: 040-24016101  
Email Id: cs@hariompipes.com  
Website: www.hariompipes.com

## Registrar & Share Transfer Agent

M/s. Bigshare Services Private Limited.  
Address: 306, Right Wing, 3rd Floor,  
Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road,  
Somajiguda, Hyderabad - 500082,  
Telangana. Tel: 040-4014 4967  
Email Id: bsshyd@bigshareonline.com  
Website: www.bigshareservices.com

## Listing at

BSE Limited  
National Stock Exchange of India Limited

## Bankers

HDFC Bank Limited  
Canara Bank Limited



Reinforcing the Future

# Contributing to India's development

At Hariom, nation-building means more than infrastructure development; it encompasses empowering communities, enabling progress, and enhancing the lives of millions across India. Over the years, our products have been used for critical applications in diverse sectors across India, advancing the goals of inclusive growth.



AUTO COMPONENTS



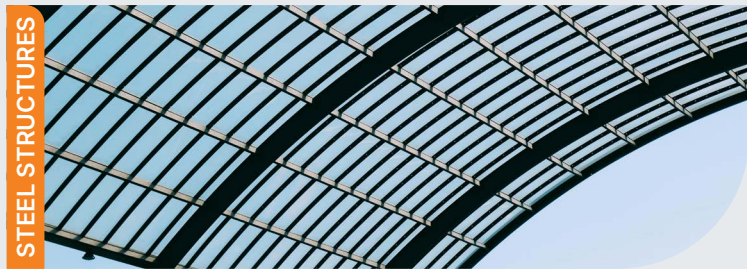
SCAFFOLDING



GREENHOUSE FRAMEWORKS



COMMERCIAL SHEDS



STEEL STRUCTURES

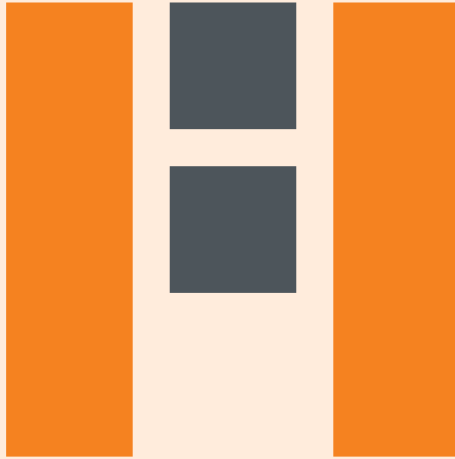


HOARDING STRUCTURES



# ESTABLISHED IN 2007

Hariom Pipe Industries Limited is a premium manufacturer of iron and steel products catering to diverse sectors in India. Today, we are proud to have a wide range of value-added products, a well-established dealer network across the South Indian market, strong backward integration capabilities, and a strong brand presence.



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## HARIOM AT A GLANCE

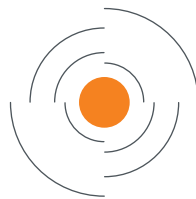
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## VISION

To attain sustainable growth and industry leadership by expanding our geographic reach and value-added product portfolio, while unwaveringly ensuring that every stakeholder reaps benefits from our growth journey.

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## MISSION

Our mission is to surpass the highest standards of customer expectations in quality, service, experience, and trust. We are dedicated to reducing emissions and prioritizing the production of green steel, aligning with our commitment to sustainability and environmental responsibility.

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**16 YEARS**  
of Industry Prowess

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**7,01,232 MTPA**  
Total manufacturing capacity

# Key Milestones

From our roots in trading steel pipes and tubes, we have gone from strength to strength, evolving into an integrated manufacturer of premium steel pipes and tubes and set new benchmarks for quality.

**2022**

- Increased Scaffolding Unit capacity to 5,000 MTPA
- Raised ₹130 crore (gross) through an IPO on Main Board (NSE and BSE) on April 13
- Furnace unit installed capacity increased to 1,04,232 MTPA while rolling mill installed capacity was increased to 1,24,000 MTPA

**2019**

Enhancement of installed capacity in Furnace Unit, Rolling Mill and Pipe Mill to 2,64,832 MTPA

**2018**

Converted to a public limited company; renamed as Hariom Pipe Industries Limited

**2017**

Started Slitting Line Unit

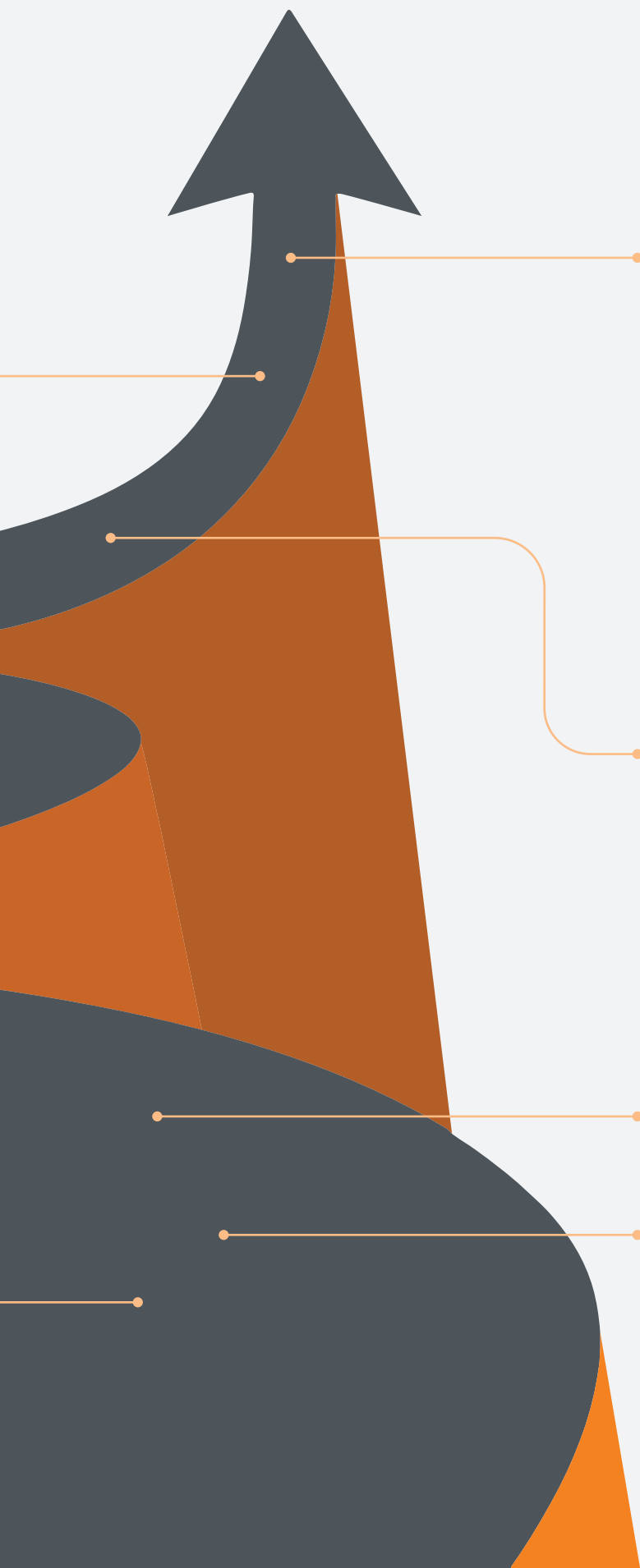
**2011**

Started Pipe Mill Unit-II and Scaffolding Unit

**2007**

Incorporation of the company.



**2023**

- Acquired operating assets with a GP/ GI capacity of 1,80,000 MTPA located in Tamil Nadu, resulting in product diversification
- Added 10+ new value-added products, such as GP pipes and coils
- Increased the Pipe Mill's capacity to 1,32,000 MTPA
- Set up a GP Unit at Mahabubnagar, TS with a 1,20,000 MTPA total capacity
- Infusion of ₹102.85 crore through the issue of warrants and equity shares
- Commissioned state-of-the-art Cold-Roll Tandem mill and an annealing furnace at Mahabubnagar Plant in Telangana

**2020**

Acquisition of Sponge Iron Unit situated at Anantapur, A.P., with a capacity of 36,000 MTPA to achieve cost efficiency and better control of the entire value chain

**2010**

Started Rolling Mill Unit in May. Started Pipe Mill Unit-1 in July

**2008**

Started Furnace Division at Mahabubnagar, Telangana in February

Data given in calendar year

# Operations and Presence

## Strategic location of manufacturing units

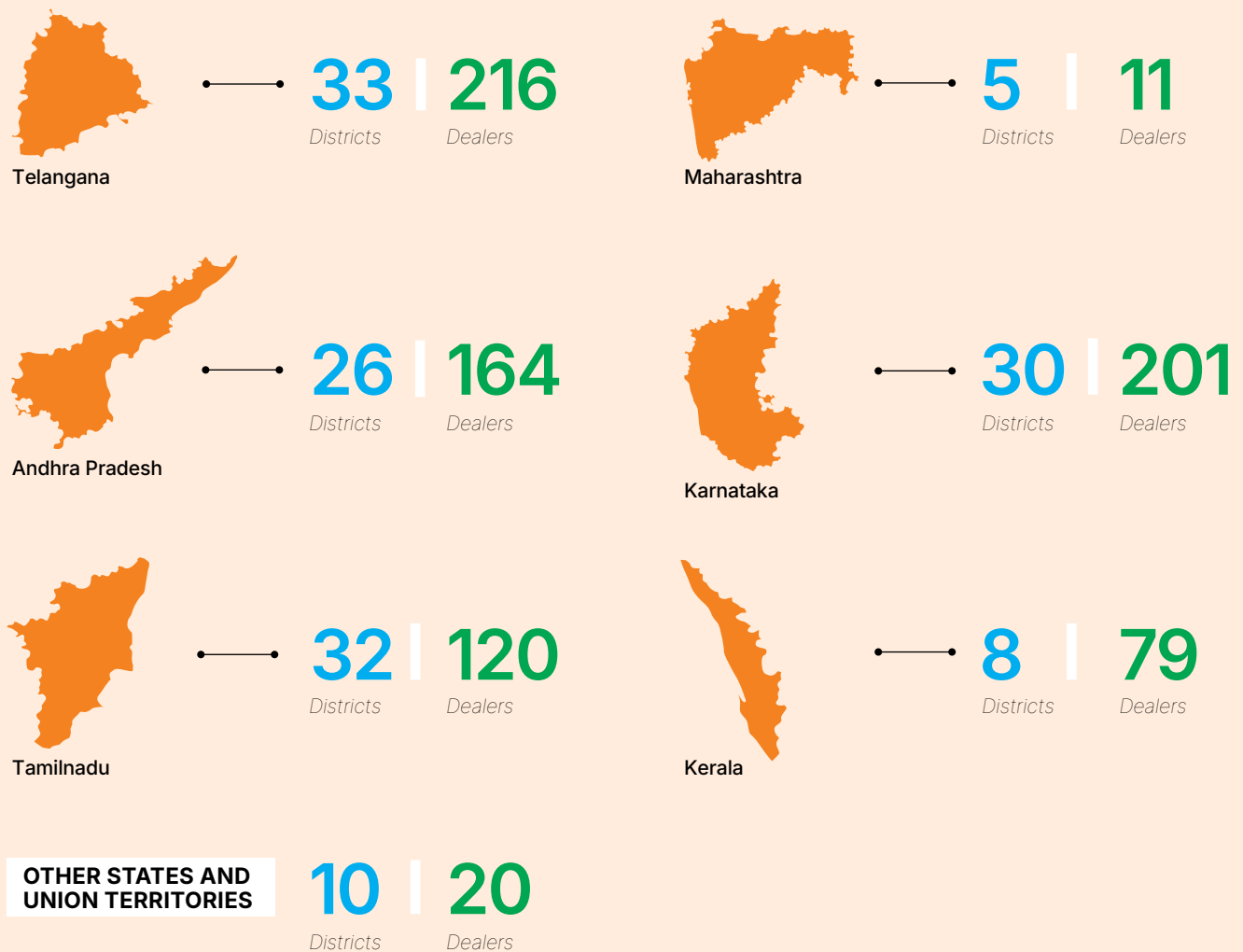
Our manufacturing units are strategically positioned near major industrial hubs, providing seamless access to logistics, power, and skilled labor. This allows us to optimize production and distribution, ensuring timely and cost-effective delivery of products nationwide. Additionally, our proximity to iron ore production centers further boosts logistical efficiency.



## Strengthening market presence

Our company currently has a solid foothold in Southern and parts of Western India. We aim to bolster our presence in these regions and venture into new areas thereby leveraging our intrinsic logistical advantage to cater to burgeoning demand. Our strategy includes expanding our domestic sales networks and extending our reach into Western, Eastern India, and Union Territories.

### Our dealer network



**800+**  
Dealers

**1,500+**  
Point of sales



# FY24 Key Highlights

## Financial

80%

Revenue growth (YoY)

## ESG

34K MT

Use of steel scrap in production

23%

PAT growth (YoY)

9.21 TJ

Usage of Captive Renewable Power

**Operating Cash  
Flow Positive**

**Recommended for  
Dividend Distribution**

## Operational

92%

Share of value-added products

84%

Increase in Utilization Capacity (YoY)

# Manufacturing Capabilities

## Sponge Iron

Installed Capacity

36,000 MTPA

## Induction Furnace

Installed Capacity

1,04,232 MTPA

## Rolling Mill

Installed Capacity

1,24,000 MTPA

## Piping Mill

Installed Capacity

1,34,000 MTPA

## Galvanising Unit

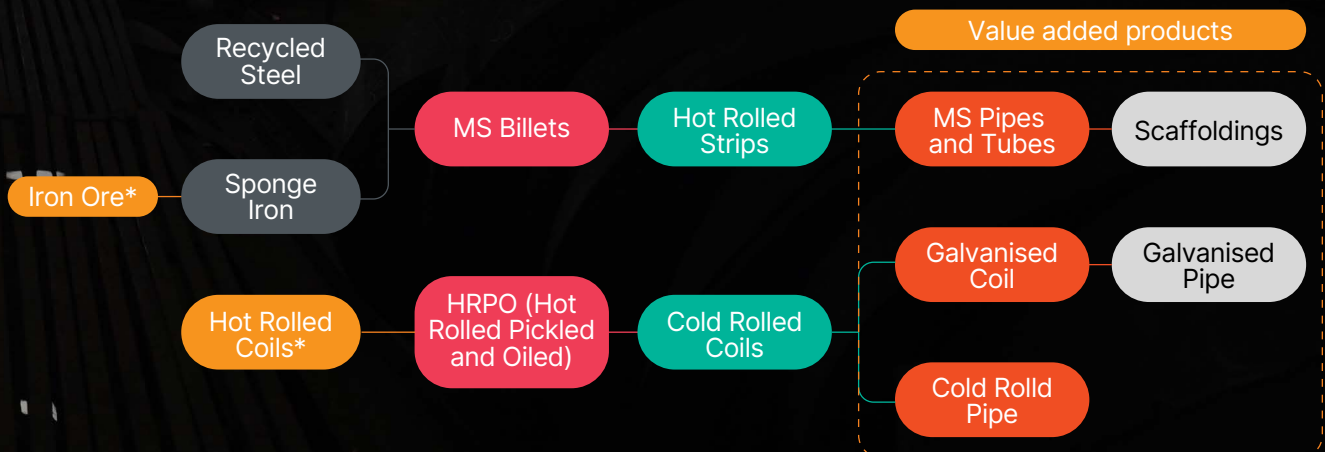
Installed Capacity

3,00,000 MTPA

## Scaffolding

Installed Capacity

5,000 MTPA



# Our Product Portfolio



## Sponge Iron

Sponge Iron, or Direct Reduced Iron (DRI), is made by reducing iron ore to iron using a reducing gas at temperatures below iron's melting point. It has a porous, spongy texture.

### Key applications:

#### Steel Manufacturing

Primary Application: Feedstock in electric arc furnaces (EAF) for steel production.

User Industries: Steel mills, foundries.

#### Ferroalloy Production

User Industries: Ferroalloy manufacturers.

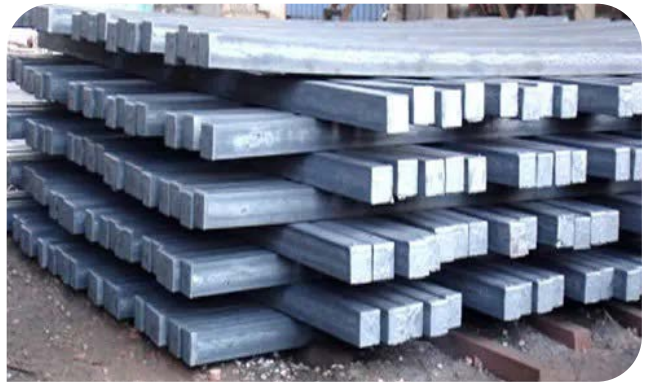
#### Iron-Based Chemicals

User Industries: Chemical industry, catalysts manufacturing.

#### Powder Metallurgy

User Industries: Automotive, aerospace industries.

We have a diverse product portfolio that encompasses MS tubes and pipes, scaffolding systems, and galvanised pipes. Our products are used across various sectors, underscoring our commitment to craftsmanship and customer satisfaction.



## MS Billets

MS (Mild Steel) Billets are semi-finished steel products with a square or rectangular cross-section. They are created by melting scrap or raw iron and casting it into a mold to achieve the desired shape and size. MS billets are an essential raw material in the steel industry, often used as a precursor for producing various finished steel products.

### Key applications:

#### Construction

Used in the manufacturing of construction materials such as rebar, beams and structural sections.

#### Automotive

Employed in the production of automotive parts and components, providing structural integrity and strength.

#### Manufacturing

Utilized in creating machinery, equipment, and tools due to their versatility and machinability.

#### Infrastructure

Integral in building infrastructure projects like bridges, railways, and pipelines.





## HR Strips

Hot Rolled (HR) Strips are flat steel products that are produced through the hot rolling process. In this method, steel slabs are heated to high temperatures and passed through rollers to achieve the desired thickness. HR Strips are characterized by their rough surface finish and are available in various grades, widths and thicknesses.

### Key applications:

#### Automotive Industry

Used for manufacturing chassis, frames, and other structural components.

Employed in the production of wheels and other automotive parts.

#### Construction Industry

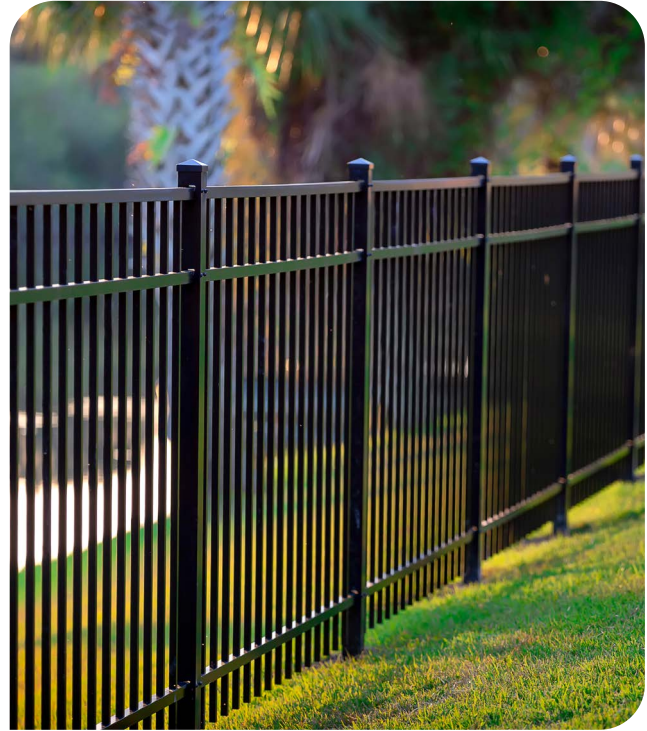
Used in the fabrication of steel structures, such as beams, columns, and girders.

Employed in the construction of bridges, buildings, and other infrastructure projects.

#### Manufacturing Industry

Used for producing pipes, tubes, and other machinery parts.

Employed in the production of industrial equipment and machinery.



## MS Tubes & Pipes

MS Tubes, also known as Mild Steel Tubes, are cylindrical hollow structures made from mild steel, which is known for its low carbon content (typically less than 0.25%). These tubes are characterized by their high tensile strength, durability, and malleability, making them suitable for a variety of applications.

### Key applications:

#### Construction and Infrastructure

Structural frameworks, Scaffolding, Fencing and gates, Roof trusses

#### Automotive Industry

Exhaust systems, Chassis and frames, Roll cages, Suspension components

#### Furniture and Interior Design

Metal furniture, Handrails and guardrails, Shelving and racks, Decorative elements

#### Manufacturing and Fabrication

Machinery and equipment frames, Conveyor systems, Storage tanks and silos, Industrial platforms and ladders



## Scaffolding

Our scaffolding system, designed for versatility and safety, provides robust support for construction and maintenance projects of varying scales. Crafted from durable materials, it ensures stability and ease of assembly, meeting stringent industry standards.

### Key applications:

#### Construction

Ideal for building structures, both residential and commercial.

#### Maintenance

Facilitates safe access for repairs and renovations.

#### Events

Supports stages, lighting, and seating structures.



## CRCA Coils

Cold Rolled Closed Annealed (CRCA) Coils are produced by cold rolling hot rolled pickled and oiled coils and then annealing them in a closed atmosphere to improve their hardness, strength, and surface finish.

### Key applications:

#### Construction Industry

CRCA Coils are used in the construction industry for producing high-quality steel sheets and panels that offer good aesthetic appearance and strength, making them ideal for cladding, roofing, and structural components.

#### Automotive Parts Manufacturing

In the automotive sector, CRCA Coils are used for making body panels, doors, and other parts that require excellent drawability and surface quality.



## HRPO Coils

Hot Rolled Pickled and Oiled (HRPO) Coils are steel coils that have been descaled using a pickling process and coated with oil to prevent rust. This process enhances the surface quality and extends the lifespan of the steel.

### Key applications:

#### Automotive Industry

HRPO Coils are widely used in the automotive industry for manufacturing parts that require a high-quality finish and durability. They are ideal for making frames, underbody components, and structural parts.

#### Metal Fabrication

These coils are also used by sheet metal manufacturers and pipe and tube makers for various industrial applications. Their clean and smooth surface is suitable for further processing, such as cutting, bending, and welding.



## CRFH Coils

Cold Rolled Full Hard (CRFH) Coils are steel coils with high durability and performance characteristics, produced without annealing after cold rolling. They have high tensile strength and are suitable for a range of slit sizes.

### Key applications:

#### Industrial Applications

CRFH Coils are used in manufacturing industrial cable trays, Strapping which require a high degree of strength and durability. They are also used for structural components in pre-engineered buildings, bridges and fan blades.

#### Automotive and Agricultural Machinery

These coils are ideal for automotive components, machinery parts that need to withstand high stress and demanding conditions.





## GP Coils

Pre Galvanized (GP) Coils are steel coils coated with a layer of zinc to enhance corrosion resistance. This coating protects the steel from rust and extends its service life.

### Key applications:

#### Construction and Roofing

GP Coils are widely used in the construction industry for roofing systems in pre-engineered buildings due to their corrosion resistance and durability. They are also used in manufacturing rolling shutters, which require a robust and weather-resistant material.

#### Industrial Equipment

These coils are employed in producing packing strips and other components that require a protective coating against corrosion.



## GI Pipe

Our GI pipes epitomise durability and reliability. These pipes are coated with a layer of zinc to prevent corrosion and rusting. The zinc coating acts as a shield for the underlying steel from exposure to moisture and other elements. It serves as indispensable assets, ensuring longevity and performance in every endeavour.

### Key applications:

#### Plumbing Systems

Premium square pipes and tubes used in plumbing systems.

#### Irrigation

Used in agriculture to ensure uninterrupted water flow to crops and fields over a vast farmland.



## Galvanized Pipe (GP)

Galvanized pipes are steel products that have been coated with a layer of zinc to enhance their corrosion resistance. This process involves immersing the steel in molten zinc, which forms a protective layer on the surface, making it suitable for various applications in different industries.

### Key applications:

#### Transportation and Fabrication

GP Pipes are widely used in bus body manufacturing, fabrication of industrial sheds, and other construction projects that require strong and corrosion-resistant materials.

#### General Construction

They are also used in general construction applications, such as handrails, fencing, and structural supports.



# What Differentiates Us

Our investment proposition stems from strong manufacturing capabilities, backward integration, a robust financial position, and a clear growth strategy. These synergies distinguish us in the market and secure our position as a leading choice for stakeholders.

## Robust financial profile

Our capital allocation strategy is based on prudence and sustainable growth principles. We maintain a strong balance sheet supported by incremental cash flow generation. In FY24, we undertook additional fund infusion (in equity and warrants) to strengthen our position further. Over the past five years, we have achieved a revenue CAGR of 48%, indicating market share expansion, an EBITDA CAGR of 43%, underscoring operational efficiency and a PAT CAGR of 47%, showcasing the success of our strategies.

**48%**

5-year revenue CAGR

**47%**

5-year PAT CAGR

## Ensuring Quality and Flexibility Through Vertical Integration

The company's integrated operations span the entire production process, from iron ore utilization to the manufacturing of MS pipes and scaffolding products, and from HR coil processing to the production of galvanized coils and GI pipes. This vertical integration ensures consistent quality, reduces dependency on external suppliers, and offers the flexibility to adapt our product mix in response to market demands.

**2,64,232 MT**

Capacity for backward integration

## Strong focus on value-added products

We produce value-added products that meet evolving market needs by focusing on innovation and maintaining high-quality standards. Our ability to customise product thickness, length, and quality allows us to command a premium over our competitors.

**92%**

Share of Value Added Products in FY24 compared to 80% in FY23



## Pioneering Eco-Friendly Manufacturing and Renewable Energy in India

We utilize advanced technologies and eco-friendly manufacturing processes to optimize resource usage and reduce our environmental impact. For example, our Hot charging production technique greatly lowers coal and electricity consumption. Additionally, we are proud to be the first company in India to run our pipe manufacturing operations entirely on renewable energy in Telangana State.

# 2 MW

Installed capacity of solar energy at Mahabubnagar plant

## Highly Focused Management driven by passion towards value creation

Led by promoters with more than five decade of industry experience, our leadership team drives strategic growth and operational efficiency. The experienced senior management ensures continuity and effective coordination, leveraging industry knowledge to seize current and future opportunities.

# 50+ years

Combined experience in the steel pipes industry of key management

# How We Create Value

## Resources

### Financial Capital

Enhanced shareholder value through strategic investments and a wide product range of value-added products.

### Manufactured Capital

Improved operational efficiency and production capabilities, leading to consistent product quality and market competitiveness.

### Human Capital

Increased productivity, innovation, and high employee satisfaction, contributing to business growth and stability.

### Relationship Capital

A loyal customer base, expanded market reach, and a robust distribution network enhance market penetration and sales.

### Sustainable Capital

Reduced environmental impact, compliance with environmental regulations, and strong governance supporting sustainable growth.

## Inputs

Equity  
₹464 crore

Net debt  
₹338 crore

Manufacturing units  
4

Total capacity  
7,01,232  
MTPA

Gross block of fixed assets: ₹451 crore

Total Manpower  
840+

Dealers  
800+

Selling Point  
1500+

Reduced power  
32%

Recycled Water Usage  
in Production  
38%

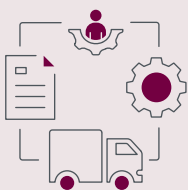
## Value Creation Process

### Driving Success: A Year of Remarkable Growth:

This year has highlighted our dedication to excellence and strategic expansion. We've achieved impressive financial growth, with significant improvements in revenue, profitability, and earnings per share. Our emphasis on innovation, customer satisfaction, and market expansion remains strong, setting us up for continued success.

### Strong Production with Healthy Sales Performance:

This year, our production remained robust, complemented by strong sales performance. We successfully aligned our output with market demand, reflecting our ongoing commitment to efficiency and growth.



### Value chain

- Raw material procurement
- Semi-finished goods processing (Backward integration)
- Manufacturing
- Sales and distribution
- Customers
- After-sales services

## Value Created in FY24

Revenue growth

80%

EBITDA growth

74%

Operating Profit Growth

50%

EPS

₹20.34

Production Volume:

2,17,203 MT

Sales Volume:

1,99,015 MT

100%

employees covered  
under training

Nil

complaints on  
Human Rights

0%

complaints  
from  
employees

48

Average  
training hours  
conducted  
per employee

Share of Value Added Products

92%

Incremental Captive  
Renewable Power

7.96 TJ

against the total consumption

2500+

Saplings Planted/Distributed



## Letter from the Managing Director



*Dear Stakeholders,*

I hope that this Report finds you and your families safe and well.

In the ever-changing business landscape, where challenges are constant, unique opportunities await those with the courage to seize them. At Hariom, we have always been optimistic about India's growth story and the endless possibilities it offers. This year's performance reflects our sustained efforts capitalising on them. As we conclude FY24, I am delighted to share the remarkable progress we have made in achieving our strategic goals and strengthening our market position in the steel pipe industry.

The commissioning of our state-of-the-art CR Tandem mill at the Mahabubnagar Plant has opened new avenues for expansion. This facility enables us to meet the needs of industries such as packaging, furniture, auto components, pre-engineering building products and many more.

## A Year of Strong Performance

We reached several milestones in FY24, culminating in our highest-ever sales volume by year-end. This achievement resulted in an 80% revenue growth, bringing our total revenue to ₹1,158 crore. We also achieved our best-ever performance in terms of EBITDA which soared to ₹144 crore, representing a 74% YoY increase.

This performance was bolstered by higher production from an enhanced capacity, a higher share of Value-Added Products, and improved efficiency. Our commitment to expanding our Value-Added Products share resulted in a record high of 92% for the year, compared to 80% in FY23. This led to a 23% YoY increase in PAT, reaching ₹57 crore.

Strategic initiatives such as the Galvanized Pipe Project in Mahabubnagar, efficient inventory management, and proactive measures to reduce debtor days, like channel finance and efficient collection methods, led to an Operating Cash Flow of ₹5 crore in FY24, compared to a usage of ₹100 crore in FY23. Our ROCE has surged significantly to 18.8%, up from 14.6% in the previous year, reflecting optimal utilisation of fixed assets and effective management of working capital.

Most importantly, we began our journey to maximise shareholder value, with our Board of Directors recommending a final dividend of ₹0.60 per equity share with a face value of ₹10 (6%) each for FY24. Looking ahead, we remain steadfast in

our commitment to providing sustainable, long-term value to our shareholders through a balanced approach that includes both capital appreciation and dividend payments.

# 1,70,000 KT

Additional capacity added in FY24

# 82%

Increase in sales volume

## Poised for Growth

India's growth story remains fundamentally sound, with the Economic Survey projecting an 8.2% increase in GDP for FY24. This, along with a predicted GDP growth of 7.2% in FY25, indicates that India is well poised to continue its phase of expansion.

Moreover, the Indian government is helping upgrade one of the biggest drivers of economic growth— infrastructure. The recent Budget 2024-25, which announced a capex outlay of ₹11+ trillion towards infrastructure, will give a significant boost to India's overall growth and development, improving various sectors of the economy.

At Hariom, our competitive edge in our manufacturing capabilities, backward integration,

# Letter from the Managing Director continued

strategic geographical presence and focus on high-margin value-added products make us well-placed to seize the opportunities that lie ahead and create value for our stakeholders.

Looking ahead, we have developed strategic plans to tap into the potential offered by multiple sectors, including construction, automotive, real estate, power and infrastructure, among others.

## Investing in the Future

Our growth strategy is underpinned by six strategic pillars that guide our operations and decision-making processes. These pillars are designed to drive profitability, enhance customer experience, and ensure inclusive growth for all stakeholders.

In FY24, we continued to invest in our operations to pave the way for future growth. The commissioning of our state-of-the-art CR Tandem mill at the Mahabubnagar Plant has opened new avenues for expansion. This facility enables us to meet the needs of industries such as packaging, furniture, auto components, pre-engineering building products and many more. Additionally, the new GP unit and the enhanced MS pipe unit in Telangana increased our production capacity by 1,70,000 MT.

## Accelerating Growth with Sustainability

We believe in inclusive growth that addresses the needs of employees, dealers, customers, communities, investors, and the environment. Our employee training, community engagement, and environmental sustainability initiatives reflect our holistic approach to business growth.

Our commitment to expanding our Value-Added Products share resulted in a record high of 92% for the year, compared to 80% in FY23. This led to a 23% YoY increase in PAT, reaching ₹57 crore.

Environmental sustainability is a core component of our operational strategy. Our pipe unit in India is one of the country's first to be fully solar-powered, underscoring our dedication to promoting sustainable practices. Further, we recycle 34K MT of steel scrap, including scrap produced at our units, to promote green steel.

In FY24, we achieved significant sustainability milestones by fully transitioning our Mahabubnagar GP Plant to solar power, reducing our emission intensity to 89.16 CO<sub>2</sub>e/₹, and consuming 9.21 TJ of energy from renewable sources, underscoring our commitment to a greener future.

89.16  
CO<sub>2</sub>e/₹

Emission intensity (scope 3) in FY24

9.21 TJ

Energy consumed through renewable sources in FY24



In FY24, we achieved significant sustainability milestones by fully transitioning our Mahabubnagar GP Plant to solar power, reducing our emission intensity to 89.16 CO<sub>2</sub>e/₹, and consuming 9.21 TJ of energy from renewable sources, underscoring our commitment to a greener future.

## Much Done, Much More to Do

The financial year we have just closed has been strong in many ways. We have significant tailwinds for growth and an expanded production capacity, setting the stage for sustained growth in the future.

As we look to the future, I am confident that we have the right strategy to deliver on our promise of growth. Our goal is to fully leverage our installed capacity by 2026, ensuring optimal performance while upholding our dedication to profitability and sustainability. Our focus on innovation, market expansion, and value creation positions us well to achieve this ambitious goal. We will continue to explore new growth opportunities, enhance our product offerings, and invest in cutting-edge technologies to stay ahead of the curve.

75% of the new India is yet to be built. We remain dedicated to enhancing our value-added offerings to meet the evolving needs of a rising and aspirational India. Hariom Pipes will not only thrive but also embark on a new era of growth.

I am confident that the alignment and commitment of our shareholders, Board, and management will help us navigate these dynamic times and deal with the ever-evolving business landscape.

In closing, I sincerely thank our shareholders, employees, customers, and partners for their

unwavering support and trust. We will continue to build on our successes, drive sustainable growth and create lasting value for all stakeholders.

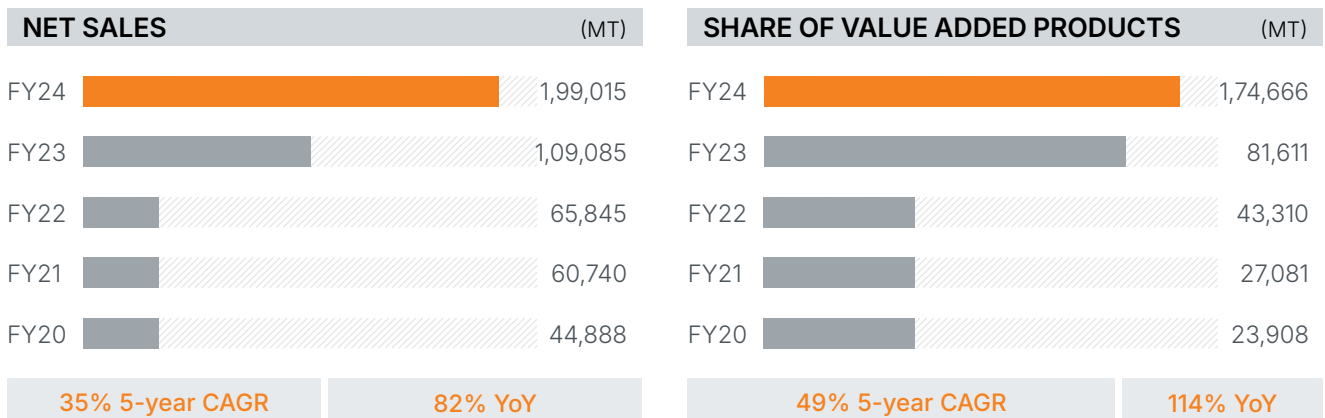
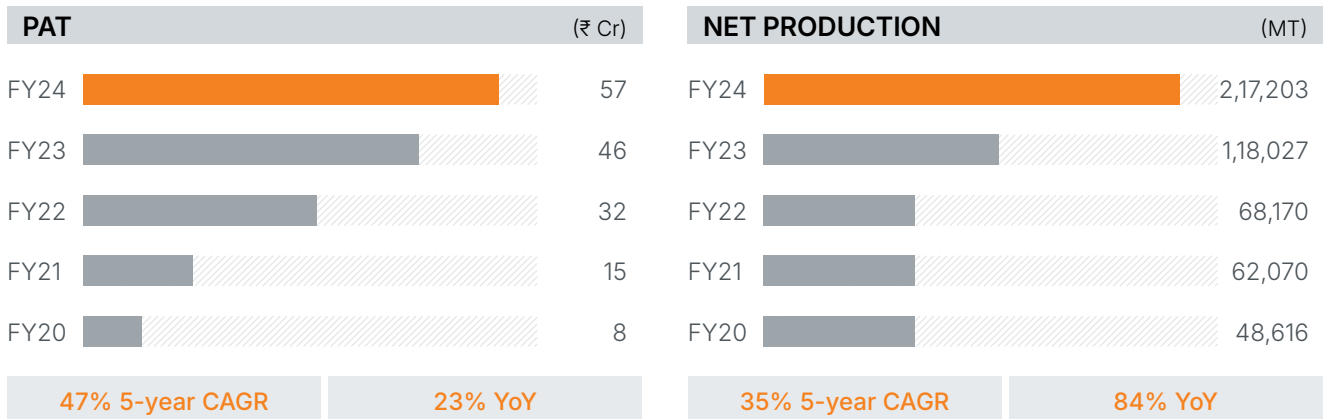
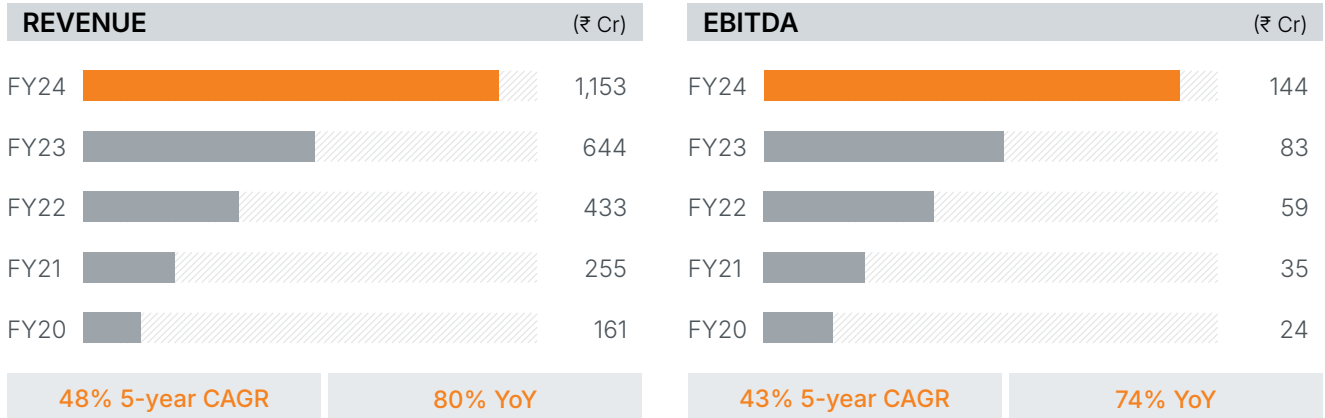
Warm regards,

**RUPESH KUMAR GUPTA**











Managing Director



# Key Performance Indicators





| DEBT TO EQUITY RATIO |   | (Times) | RoCE |  | (%)  |
|----------------------|---|---------|------|--|------|
| FY24                 |  | 0.80    | FY24 |  | 18.9 |
| FY23                 |  | 0.79    | FY23 |  | 14.7 |
| FY22                 |  | 0.87    | FY22 |  | 38.2 |
| FY21                 |  | 1.13    | FY21 |  | 27.7 |
| FY20                 |  | 1.41    | FY20 |  | 28.0 |



Our strategic initiatives have driven us to achieve our highest-ever sales volume, with annual revenue surpassing the ₹1,150 crore mark. In FY24, our performance was driven by a 114% YoY increase in Value-Added Product sales volume as we successfully ramped up production of GP/GI. The company demonstrated positive Operating Cash Flow, driven by increased profitability and efficient working capital management. Our ROCE has surged significantly, reflecting effective resource utilisation and enhanced profitability. As we enter FY25, we are well-positioned to maintain our growth trajectory with a continued focus on improving cash flow.

**Sailesh Gupta**  
Whole Time Director

# Ramping up to Drive Accelerated Growth

Amidst a robust demand landscape, we sustained and improved our growth momentum, strengthening our market position. We continued to invest in our operations, setting the stage for a high growth trajectory.

## Successful ramp-up of new units

The new GP unit (capacity of 1,20,000 MTPA) and the enhanced MS pipe unit (capacity of 1,32,000 MTPA) in Telangana, along with the GP/GI plant in Tamil Nadu (capacity of 1,80,000 MTPA), were successfully ramped up during the year. This was crucial to achieving our best-ever performance in terms of revenue, volume, EBITDA, and PAT in FY24 ramp will continue over the next two years.





## New Concept Pioneered

A state-of-the-art Cold-Roll Tandem mill and an annealing furnace were commissioned at the Mahabubnagar Plant in Telangana in FY24. One of the key advantages of the Tandem Rolling Mill is its ability to perform multiple rolling operations in a single pass.

### CR Tandem Mill adds new avenues for growth

A state-of-the-art Cold-Roll Tandem mill and an annealing furnace were commissioned at the Mahabubnagar Plant in Telangana in FY24. One of the key advantages of the Tandem Rolling Mill is its ability to perform multiple rolling operations in a single pass. This significantly reduces the number of require passes, thereby improving the overall production efficiency and reducing the manufacturing time. As a result the company can deliver steel products to its customers in a more timely manner, meeting their stringent deadlines and production schedules. This addition brings new customers from industries such as fans, packaging strips, furniture, auto components, and pre-engineered building products to the company's portfolio.





# Operating Context

As we look ahead, our growth trajectory is shaped by several key factors. We leverage these insights to navigate the complex and evolving terrain and deliver value to our stakeholders

## Growth in the Indian pipe and steel industry

The Indian pipe and steel industry has witnessed significant growth in recent years, driven by rising demand from various sectors such as construction, oil & gas, water supply, and agriculture. The Indian pipe industry is estimated to have a capacity of ~12+ MTPA and is projected to grow at 6-7% CAGR over the next five years.

### THIS GROWTH WILL BE SUPPORTED BY:

- **Infrastructure Development**

Over FY19-24, the Indian government's Capex outlay has ramped up to touch a massive ₹11 lakh crore (22% of total government spending) vs. ₹3.9 lakh crore (13% of total government spending) in FY19. Additionally, Ambitious infrastructure projects, such as the National Infrastructure Pipeline (NIP) and Smart Cities Mission, are expected to boost the demand for steel pipes significantly.



- **Growing appetite for structural steel pipes**

Indian structural steel consumption is ~4% of total steel consumption, significantly lower than the global average of ~9%. Considering that the Indian construction industry is gradually adapting to the use of these pipes instead of the traditional use of long steel products, the scope for rising per-capita consumption of steel pipes remains high.

- **Urbanisation**

India's residential market reached a 10-year high in annual sales, standing at 3,29,097 in 2023. Additionally, as per the UN's Habitat's World Cities Report 2022, India's urban population is expected to increase to 67.5 crore by 2035, which is set to drive an increase in urban infrastructure development and residential real estate.

## Outlook

The steel pipe industry's outlook in India is positive. Continuous growth is expected due to sustained infrastructure investments, industrial demand, and supportive government policies. The industry's ability to innovate and adapt to market changes will be crucial in maintaining this growth trajectory. Overall, the steel pipe industry in India is well-positioned for future expansion, driven by strong market demand, technological advancements, and supportive policy frameworks.



# Strategic Pillars of Value Creation



Our strategic pillars reinforce each other to deliver optimal value for all stakeholders. Our next wave of value creation will focus on leveraging innovation and customisation to meet evolving customer demands. We aim to lead in value-added products, capture premium segments, and drive revenue growth.



## Lead in value-added products.

We emphasise the production of high-demand, premium-quality products by continuously enhancing our manufacturing capabilities and expanding our product range. This strategy helps us maintain a competitive edge and meet diverse customer needs.

### PROGRESS MADE IN FY24:

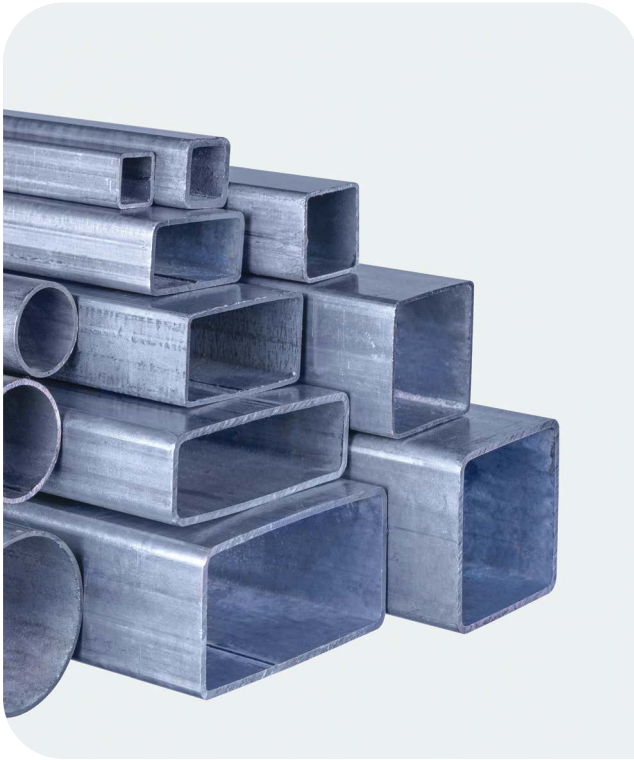
- In FY24, we commissioned a state-of-the-art CR Tandem mill at the Mahabubnagar Plant, producing high-quality pipes with minimal thickness variation. This has enabled the production of pipes with thicknesses as low as 0.4mm, which are in high demand and command premium prices.
- Introduced new product lines such as fans, packaging strips, furniture, auto components, and pre-engineered building products.

## Focused expansion

We are strategically expanding our production capacity and geographical reach to strengthen our market presence and enhance operational efficiency. This includes both backward and forward integration to optimise the value chain.

### PROGRESS MADE IN FY24:

- Increased production capacity to 701kt, including 300kt for GP/GC and 132kt for MS Pipes.
- Strengthened the dealer network in South India and expanded into key markets such as Maharashtra, Gujarat, and Rajasthan.
- Enhanced backward and forward integration capabilities to include more value-added products.
- Modernised facilities, including new pickling and slitting lines, a GP stockyard, and a Continuous Galvanising Line (CGL), to drive sustainable production.



## Superior customer experience

We aim to deliver a superior customer experience through a comprehensive product portfolio, stringent quality standards, and strong dealer relationships. This approach helps build customer loyalty and expand market reach.

### PROGRESS MADE IN FY24:

- Adopted a one-stop-shop product basket approach to meet various customer needs.
- Ensured products met stringent quality standards across industries such as auto, construction, manufacturing, engineering, consumer goods, water supply, agriculture, and furniture.
- Retained dealer through quantity and payment terms, technical support, and channel financing.
- Utilised ERP systems for real-time order intimation and billing and invested in process R&D to ensure high-quality, premium products.



## Inclusive stakeholder management

We emphasise inclusive growth by addressing the needs of employees, dealers, customers, communities, investors, and the environment. This comprehensive approach ensures sustainable business practices and stakeholder satisfaction.

### PROGRESS MADE IN FY24:

- Upskilled employees through training and development programs and build a professional management team.
- Provided distribution opportunities, cost-effective solutions, and channel financing for dealers.
- Expanded product offerings and widened the dealer network
- Engaged in CSR activities, promoting local employment, and supporting community development.
- Maintained transparent communication with investors, focused on reliable reporting, and announced the Company's first ever dividend after listing.
- Environmental initiatives include recycling 34K MT of steel, reducing carbon emissions through hot charging, achieving zero liquid discharge (ZLD), and powering the first pipe unit in India entirely with solar power.

# Strategic Pillars of Value Creation Continued



## Focus on Profitability

We aim to enhance profitability through integrated production processes, strategic sourcing, and increasing sales of value-added products. We focus on operational and sales excellence and continuous process improvement.

### PROGRESS MADE IN FY24:

- Maintained fully integrated production of MS Pipes to leverage cost efficiencies.
- Strategic sourcing to manage costs and ensure quality.
- Increased sales of value-added products to enhance margins.
- Implemented operational excellence initiatives, including 24-hour delivery, low power, and fuel costs.
- Sales excellence with higher sales volumes and lower channel inventory.

## Generating Free Cash Flow

We aim to generate positive operating and free cash flow by optimising production, rationalising inventory, and improving EBITDA margins. Prudent capital allocation is essential to support sustainable growth and financial stability.

### PROGRESS MADE IN FY24:

- Ramped up production in new units and expansions.
- Established markets for GP/GI and new products.
- Rationalising raw material and finished goods inventories to improve cash flow.
- Operating Cash Flow turned positive at ₹5 Crore vs (₹100.6) Crore in FY23
- Focused on improving EBITDA margins through integrated production and cost management.
- Prudent capital allocation to ensure positive free cash flow, with plans to achieve higher asset turnover and lower working capital days in FY25.





## Way Forward

- **Optimise Operations:**  
Optimise current operations to enhance efficiency.
- **Maintain Profit Margins:**  
Implement cost-effective measures to counter global price surges, ensuring stable profit margins.
- **Utilise Current Capacity:**  
Increase capacity utilisation from 58% to 70-75% by the end of the year, leveraging recent acquisitions in GP pipes and coils.
- **Diversification and Market Expansion:**  
Actively diversify product offerings beyond existing products - exploring opportunities in GP coils, CR pipes and GP pipes.
- **Value-Added Products Growth:**  
Focus on growing the revenue share from value-added products.
- **Integration Opportunities:**  
Keep an open stance towards integration opportunities, both backward and forward, to strengthen the company's market position and enhance profitability.



Our goal is to fully leverage our installed capacity by 2026, ensuring optimal performance while upholding our dedication to profitability and sustainability.

# Our Manufacturing Capabilities



## INTEGRATED PRODUCTION PROCESS:

Hariom Pipe has a comprehensive and integrated production process, starting from raw materials to finished products. This integration allows for streamlined operations and better quality control throughout manufacturing.



## EFFICIENT USE OF RAW MATERIALS:

The process begins at the raw material yard and moves through induction and ladle refining furnaces to the continuous casting machine. This ensures efficient use of raw materials, reducing waste and optimizing resource utilization.

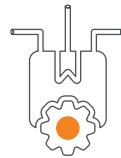


## CONTINUOUS CASTING MACHINE:

Using a continuous casting machine provides several benefits, including improved metallurgical quality, uniformity in product dimensions, and increased production speed. This leads to higher-quality end products and greater production efficiency.

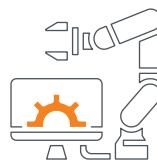
## Integrated Steel Plant at Mahabubnagar

The manufacturing process at Hariom Pipe's Integrated Steel Plant offers several advantages, including an integrated production process, efficient use of raw materials, advanced manufacturing techniques, and strategic material handling. These factors contribute to high-quality, flexible production and efficient distribution, positioning Hariom Pipe as a competitive steel pipe manufacturing player.



## FLEXIBILITY IN PRODUCT OUTPUT:

The process includes stages like the sharing division, coiling, and slitting lines, which allow for flexibility in producing different types and sizes of steel products. This adaptability helps the company meet diverse market demands and customise products as per customer requirements.



## ADVANCED MANUFACTURING TECHNIQUES:

Continuous mills, pipe mills, and end-facing divisions indicate the use of advanced manufacturing techniques. These processes enhance the pipes' precision, durability, and overall quality.

**EFFICIENT MATERIAL HANDLING:**

Using conveyors and loading points throughout the manufacturing process ensures efficient material handling. This minimises manual handling, reduces the risk of damage, and improves workflow efficiency.

**STRATEGIC STOCKYARD LOCATIONS:**

The strategic placement of stockyards (M.S. billets stockyard, coil stockyard, and pipe stockyard) at various stages allows for organised storage and quick access to materials and finished products. This enhances the overall production efficiency and ensures timely delivery.

**QUALITY CONTROL AND CONSISTENCY:**

Each process stage allows rigorous quality control measures, from refining to finishing. This ensures consistent product quality and meets industry standards and customer expectations.

**SPECIALISED DIVISIONS:**

Including specialised divisions like scaffolding and customer end-facing indicates a focus on producing specialised products. This specialisation can cater to niche markets and provide additional revenue streams.

**LOADING AND DISTRIBUTION EFFICIENCY:**

Multiple loading points throughout the process streamline the final distribution of products. This reduces bottlenecks and ensures that products are dispatched efficiently, improving delivery times and customer satisfaction.



# GP Plant at Mahabubnagar: Advanced Manufacturing Capabilities

By leveraging Unit IV's advanced capabilities, Hariom Pipe Industries Limited continues to strengthen its market presence and expand its reach, setting new benchmarks in the galvanized steel industry.



Unit IV, located in Mahabubnagar, Telangana, represents a significant milestone for Hariom Pipe Industries Limited. This facility is specifically designed to enhance the company's production of high-quality galvanized pipes and coils, addressing the growing needs of both domestic and global markets. The unit is equipped to deliver durable, corrosion-resistant products that are crucial in various applications, ensuring Hariom Pipe Industries' position as a leader in the galvanized steel industry

## Commissioned State-of-the-Art CR Tandem Mill

In the financial year 2024 (FY24), Hariom Pipe Industries commissioned a state-of-the-art Cold Rolling (CR) Tandem Mill at Unit IV. This advanced mill is a significant technological upgrade, enabling the production of ultra-thin pipes with thicknesses as low as 0.4mm. This development has opened new avenues for the company, allowing it to cater to premium market segments such as automotive components and pre-engineered building products. The CR Tandem Mill's capability to produce such precise and high-quality materials positions Hariom Pipe Industries as a competitive player in these specialised markets.

## Galvanizing Process and Its Importance

At Unit IV, the galvanising process has been refined to ensure a uniform zinc coating, which is critical for providing robust protection against rust and corrosion. This process is vital for enhancing the durability and longevity of the pipes and coils, especially in harsh environmental conditions with high exposure to moisture and other corrosive elements. The advanced galvanising capabilities at Unit IV not only extend the lifespan of the products but also ensure they meet the stringent quality standards required by various industries.





## Production of Cold-Rolled Pipes and Coils

In addition to its galvanising capabilities, Unit IV is also equipped to produce cold-rolled pipes and coils. These products are distinguished by their superior surface finish and strength, achieved through a meticulous cold-rolling process. This process involves compressing and shaping the metal at room temperature, which refines the material's grain structure, resulting in enhanced mechanical properties. The cold-rolled pipes and coils produced at Unit IV are thus ideal for applications that demand high performance and aesthetic quality.

## Strategic Location and Market Reach

The strategic location of Unit IV in Mahabubnagar, Telangana, offers significant logistical advantages. Situated in a region with excellent access to raw materials and transportation networks, Unit IV is well-positioned to efficiently serve domestic and international markets. This location allows Hariom Pipe Industries to optimise its supply chain and reduce delivery times, thereby enhancing its ability to provide high-quality galvanized products to a diverse customer base around the globe.



# Manufacturing Capabilities Continued



## Sponge Iron Unit

### INTEGRATED RAW MATERIAL HANDLING:

The process starts with handling various raw materials, including Iron Ore, Coal and Dolomite. This integration ensures a continuous and efficient feed into the production process, optimising the use of raw materials.

### EFFICIENT KILN OPERATION:

Using a kiln with primary and secondary air and submerged air injection enhances combustion. This ensures a thorough mixing of raw materials and efficient reduction reactions, producing high-quality sponge iron.

### ROTARY COOLER FOR PRODUCT QUALITY:

The incorporation of a rotary cooler after the kiln helps to efficiently cool the sponge iron and char. This step is crucial for maintaining the quality and structural integrity of the final product, preventing thermal shock, and enhancing durability.

### MAGNETIC SEPARATION FOR PURITY:

The process includes several magnetic separation stages (MS-1 to MS-4) to separate magnetic (sponge iron) and non-magnetic materials. This ensures the high purity of the sponge iron, which is essential for high-quality steel production.

### SCREENING FOR SIZE CLASSIFICATION:

Screens are used to classify materials into different size fractions (+10mm, 3-10mm), ensuring that only the desired size of sponge iron lumps and fines are obtained. This classification helps meet specific customer requirements and improves the product's usability.





### **WASTE MANAGEMENT AND BY-PRODUCT UTILISATION:**

The process effectively segregates waste materials and by-products such as char and fines. By utilising magnetic pulleys and other separation techniques, the plant efficiently manages waste and maximises the use of by-products, contributing to sustainability.

### **END-TO-END MATERIAL FLOW:**

The transparent material flow from raw material feed to final product loading ensures an organised and efficient production process. This streamlined flow reduces bottlenecks and enhances overall production efficiency.

### **PRODUCT DIVERSIFICATION:**

The unit is capable of producing various forms of sponge iron, including lumps and fines and char, which can be used for different applications. This diversification allows the company to cater to a broader market and optimise resource utilisation.

### **ADVANCED AIR INJECTION TECHNIQUES:**

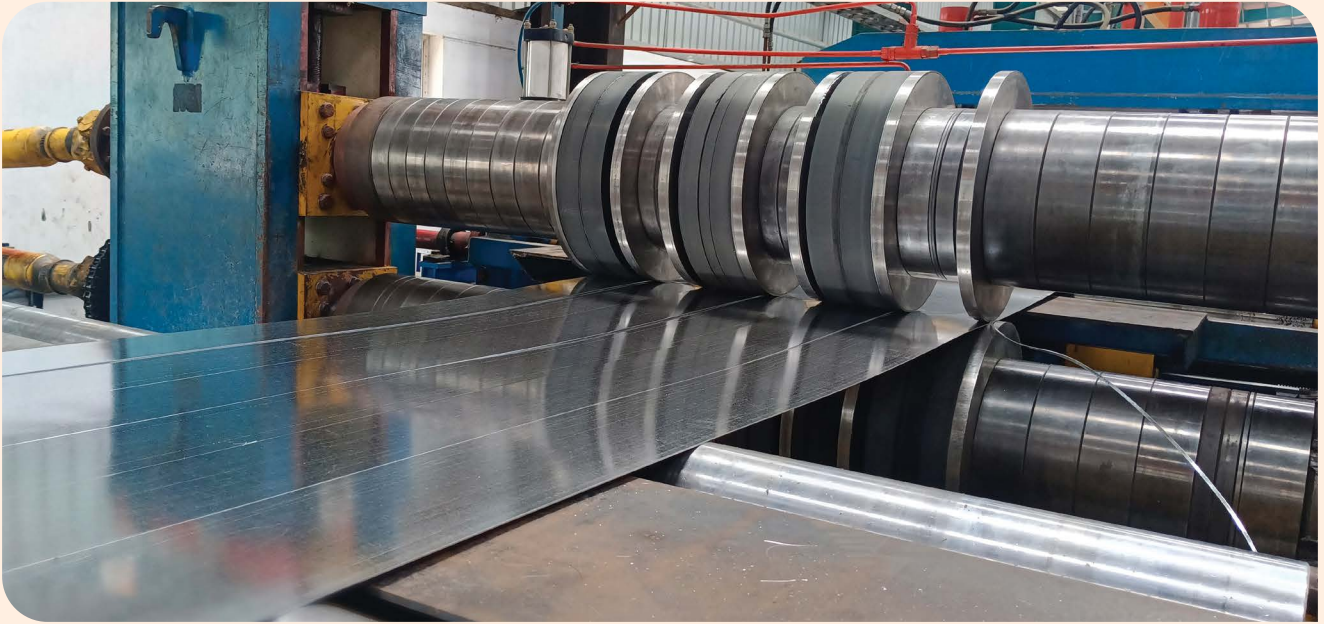
Using primary, secondary, and submerged air injection techniques in the kiln improves the combustion process, leading to higher efficiency and better control over the reduction reactions. This results in consistent product quality and reduced energy consumption.

### **ENVIRONMENTAL CONTROL:**

Including an electrostatic precipitator (ESP) and stack ensures that emissions are controlled and minimised and comply with environmental regulations. This setup helps reduce the manufacturing process's environmental impact.

# Manufacturing Capabilities

## Perundurai GP/GI plant



40

HARIOM PIPE INDUSTRIES LIMITED | ANNUAL REPORT 2023-24

### **ADVANCED GALVANIZING PROCESSES:**

The unit employs both hot dip and continuous galvanising lines. The hot dip galvanising process involves a series of steps, including cleaning, pre-treatment, galvanising, blowing, chemical treatment, threading, and pipe marking. This comprehensive process ensures high-quality zinc coating, providing excellent corrosion resistance and pipe durability.

### **THOROUGH CLEANING AND PRE-TREATMENT:**

The cleaning process removes impurities from the pipes' surface, ensuring a smooth and clean base for the galvanizing process. Pre-treatment involves heating the pipes to evaporate water and activate the surface, crucial for effective zinc coating adhesion.

### **ENHANCED CORROSION RESISTANCE:**

The chemical treatment process provides additional protection to the zinc-coated strip. This includes phosphate treatment for paintability and chromate-free special treatments for enhanced corrosion resistance. These treatments make the pipes more durable and suitable for various applications.

### **PRECISION IN GALVANIZING:**

The galvanising process involves dipping the cleaned strip into a coating tank under strict bath control. High-pressure air blowing ensures the removal of excess zinc, resulting in a uniform and high-quality coating.

### **CONTINUOUS GALVANIZING LINE:**

This line is designed to handle both hot and cold-rolled coils. The welding process joins the coils into a continuous strip, which then undergoes straightening, cleaning, galvanizing, and further chemical treatment. This process ensures consistent quality and efficiency in production.



**EFFICIENT THREADING AND MARKING:**

Threading is performed at the corners of the pipes, ensuring compatibility with fittings. Pipe marking ensures traceability and quality assurance, making it easier for customers to identify the pipes' class and specifications.

**ADVANCED WELDING TECHNIQUES:**

Shears and advanced welding processes ensure strong and reliable joints between the coils, forming a continuous and seamless strip for galvanising.

**STRAIGHTENING AND CLEANING FOR QUALITY:**

The straightening process removes waviness and imperfections from the coils, ensuring a smooth and attractive finish. This step is essential for maintaining high standards of product quality.

**ENVIRONMENTALLY FRIENDLY TREATMENTS:**

The chemical treatment process includes chromate-free special treatments, which align with environmental regulations and sustainability goals. This not only enhances product quality but also reduces the environmental impact.

**PRODUCT DIVERSIFICATION:**

The unit produces GI pipes and GI coils, catering to a wide range of market needs. This diversification allows Hariom Pipe to serve various industries and applications, increasing its market reach and flexibility.

**HIGH EFFICIENCY AND PRODUCTIVITY:**

Integrating advanced machinery and processes in Unit III ensures high efficiency and productivity. The continuous production lines minimise downtime and maximise output, supporting the company's growth and competitiveness in the market.





# ESG Performance Review

At Hariom Pipes, Environmental, Social, and Governance (ESG) principles form the cornerstone of our commitment to sustainable business practices. We integrate ESG considerations into every aspect of our operations, from reducing environmental impact through efficient resource management and eco-friendly manufacturing processes to fostering a positive social impact by ensuring the well-being of our employees, communities, and stakeholders. Our governance framework emphasizes transparency, accountability, and ethical business conduct, ensuring that we not only meet but exceed industry standards.

# Environment

As a responsible organisation, we understand the significance of nurturing a safe and pristine environment and safeguarding the invaluable ecosystems that support us. Our efforts focus on reducing emissions, efficiently managing water resources, and minimising waste generation.

## Energy Management

Energy management is a key strategic area in the pursuit of sustainability in our operations. Energy consumption is not only the main source of emissions but also has a direct implication on the cost of operation. Our energy management strategy involves the following:

- Increasing energy efficiency
- Increasing the share of renewable energy

## Renewable Energy

We have made significant strides towards renewable energy by enabling complete reliance on solar power at their Mahabubnagar GP Plant. This initiative highlights the company's commitment to renewable energy sources and reducing its carbon footprint.

## Emissions

### GHG emissions

As part of the dedication to reducing carbon emissions, we have begun to streamline our processes to move towards the goal of minimising our carbon footprint and mitigating our climate change risks.



89.16  
CO<sub>2</sub>e/₹

Emission intensity  
(scope 3) in FY24

9.21 TJ

Energy consumed through  
renewable sources in FY24



# Environment

## Air Quality Management

Recognising the importance of air quality, we actively maintain clean air in and around its manufacturing facilities. We continuously strive to minimise emissions from our processes and has robust strategies for further reduction. These efforts ensure a safe and healthy environment for employees and surrounding communities.



## Green cover initiatives

We prioritise increasing green cover in and around its manufacturing facilities. Through proactive participation in tree-planting initiatives, we foster a greener environment and enrich our factories' surrounding areas. Over 2500+ saplings were planted during FY24, demonstrating our dedication to promoting a thriving ecosystem for a sustainable future.

Concurrently, through the recycling of slag metal and incorporation of recycled steel scrap, we contribute to diminished CO2 emissions

## Recycling

We actively contribute to the circular economy by recycling scrap steel. This approach minimises our environmental footprint and reduces energy usage across the entire value chain. As a result, the company produces finished steel products in an eco-friendly manner, with recycled steel accounting for 34k MT of their raw materials in FY24.

Concurrently, through the recycling of slag metal and incorporation of recycled steel scrap, we contribute to diminished CO2 emissions and the advancement of circular economy principles. These comprehensive waste management practices collectively contribute to the establishment of a sustainable environment for the community we serve.





## Water Conservation

We use harvesting pits to save rainwater and recharge borewells to preserve water resources. Our Zero Liquid Discharge system ensures circular water usage, significantly reducing water wastage. Our efforts extend to deploying an RO Plant, enabling the repurposing of Industrial waste water for both domestic and industrial purposes, consequently curbing groundwater consumption.



## Waste Management

In our waste management approach, we leverage cutting-edge technologies such as ETP and pollution control devices. The integration of pollution control devices in chimneys captures dust particles, which are then stored in filter bags for proper disposal, further enhancing eco-friendly practices.

30% Share of steel scrap as raw materials



## Social

At Hariom, we have consistently prioritised building long-lasting relationships with our employees, customers and the communities we operate in. Adhering to this guiding philosophy, we have effectively generated transformative value for all our stakeholders.



## Employees

At Hariom, our employees are the heart of our organisation, and their well-being is our top priority. We encourage talent development with the best people practices, fostering a culture of learning, growth, and appreciation. Our commitment to meritocracy has led to a dedicated workforce, evident in their longstanding loyalty to Hariom Pipe. We create a supportive work environment that nurtures skills and values, ensuring our team thrives, and driving our continued success. Safety and inclusivity are paramount, with no injuries recorded this year. Moreover, we invest significantly in learning and development, empowering our workforce with future-ready leadership skills and abilities.

**48** Hrs  
Average training  
hours conducted  
per employee





## Customers

At the core of our values lies our dedication to enhancing customer satisfaction. Over the years, we have gone to great lengths to enhance this experience. Our efforts encompass not only a diverse product range but also go beyond, providing extensive services. These include support teams for fabricator training, dedicated customer service to understand unique needs and customer training. Additionally, we offer credit extensions, demonstrating our commitment to forging meaningful relationships with our valued customers.

73%  
Revenue from  
the Retained  
Customers



## Communities

We have embraced a sustainable business model, aiming for superior performance and positive social impact. Through our CSR policy, we focus on providing education to the economically disadvantaged, enhancing health and wellbeing, promoting social inclusivity, protecting flora and fauna, and preserving national heritage and cultural sites. As we face global challenges like climate change and inequality, we are focused on making a significant difference in the communities we serve, promoting a better future for all.

₹0.87  
Crore  
Amount Spent  
towards CSR activities



# Governance

## Governance structure

Our governance structure plays a crucial role in shaping the decision-making process, ensuring that it is aligned with our strategic objectives and the interests of all stakeholders.



## Governance policies

Hariom Pipe Industries Limited has established a comprehensive set of governance policies to ensure ethical conduct, regulatory compliance, and sustainable business practices.

## Corporate governance philosophy

Our corporate governance philosophy emphasises transparency, accountability, and ethical practices as its core principles. This philosophy is actualised through our governance processes and systems, which are continuously reviewed to ensure the highest ethical and responsible standards are being practiced by your Company.

# Risk Management

## Approach to risk management

Internal and external risks are inevitable in a dynamic operating environment. To navigate this and stay ahead of the industry, we employ a comprehensive risk management process that allows us to adapt swiftly to unforeseen circumstances and seize the right opportunities.

The Risk Management Committee, composed of board members including an independent Director, meets biannually to review strategies and oversee framework implementation. The Committee reports

to the Board on system effectiveness, updates on new risks, reviews the risk management structure, and ensures cyber security. The Risk Management Policy is reviewed periodically, ensuring business continuity and resilience for Hariom Pipe Industries Limited.

We have established a six-stage comprehensive risk management process to help us streamline our risks and ensure proper implementation of our key business goals.

## Risk management process



# Board of Directors



**PRAMOD KUMAR KAPOOR**  
Chairman and Independent Director

**Committees:**

NRC AC SRC CSR



**RUPESH KUMAR GUPTA**  
Managing Director

**Committees:**

RMC CSR



**SAILESH GUPTA**  
Whole-time Director

**Committees:**

CSR



**SOUMEN BOSE**  
Non-Executive Director

**Committees:**

NRC AC SRC RMC





**RAJENDER REDDY GANKIDI**  
Independent Director

**Committees:**

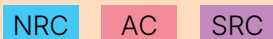


**SUNITA GUPTA**  
Non-Executive Director



**SNEHA SANKLA**  
Independent Director

**Committees:**



**NRC** Nomination and Remuneration Committee (NRC)  
**SRC** Stakeholders' Relationship Committee (SRC)  
**RMC** Risk Management Committee (RMC)

**AC** Audit Committee (AC)  
**CSR** Corporate Social Responsibility (CSR) Committee  
**●** Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

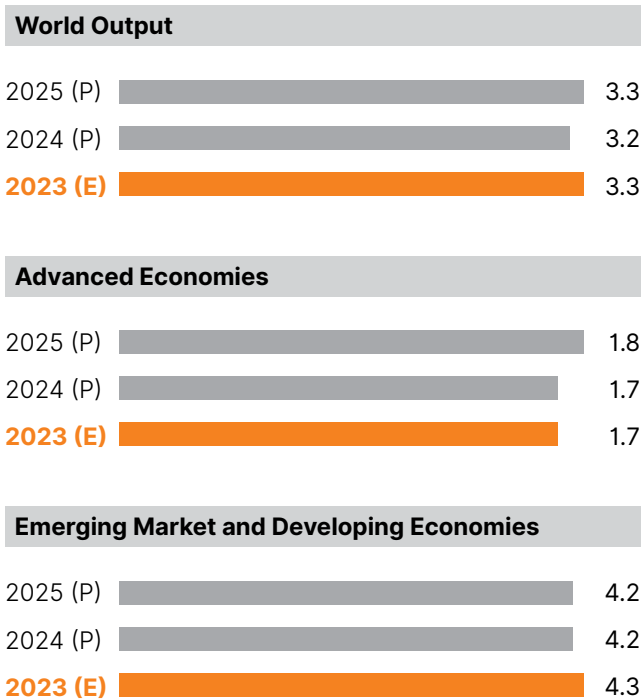
## Global Economy

In 2023, the global economy continued its expansion but at a slower pace, with the IMF estimating a average growth of 3.3%, down from 3.5% in 2022 and 3.8% from 2000-2019. This deceleration was largely due to geopolitical tensions, supply chain disruptions, inflation, exchange rate volatility, and higher living costs, prompting many countries to adopt restrictive monetary policies.

The US economy grew by 2.5%, driven by consumer spending, whereas Europe benefited from government support during the energy crisis. Advanced economies saw slower growth at 1.7%, while emerging markets grew at 4.4%, with India leading at 8.2%. China's growth was 5.2%, bolstered by government interventions despite low demand and a downturn in the property market.

According to the IMF's latest projections, global GDP growth for 2024 and 2025 will be 3.2% and 3.3% respectively.

### Global GDP Growth Trend (%)



Source: World Economic Outlook, IMF

## Indian Economy

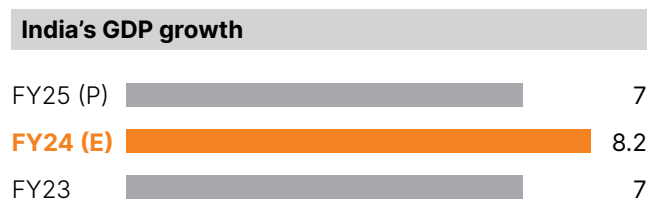
In FY24, India remained the fastest growing major economy in the world, with real GDP accelerating to 8.2%, compared to 7% in FY23, driven by robust private consumption and steadily improving investment demand. Industrial and manufacturing activities maintained their

momentum, with the PMI for manufacturing hitting a 16-year high. The construction sector continued to witness increased momentum due to increased government capex and rising demand for office spaces and housing, particularly in urban areas.

On the demand side, private consumption grew at a steady rate of 4% in real terms in FY24. Urban demand conditions remain strong, as reflected in various urban consumption indicators such as domestic passenger vehicle sales and air passenger traffic. Additionally, Gross Fixed Capital Formation (GFCF) continued to emerge as an important driver of growth, as indicated in its rising share of nominal GDP. India is in the midst of a private capex upcycle that has been aided by government capital expenditure. According to Axis Bank Research, private investment across a consistent set of over 3,200 listed and unlisted non-financial firms has grown by 19.8% in FY24.

India's economic outlook for FY25 remains robust, with a projected growth rate of 7% and a gradual decline in inflation. The Reserve Bank of India's inflation expectation survey highlights that both near term and longer-term median inflation could remain soft. Domestic economic activity is expected to be healthy, supported by an improving investment cycle, higher capacity utilisation, resilient services sector, strong credit growth and healthier corporate and bank balance sheets. The reforms instituted and implemented by the Government over the past decade have laid a solid foundation for sustained long-term economic expansion.

### India's GDP Growth Trend (%)



Source: MOSPI

## Industry Overview

### Global Steel Industry

According to the World Steel Association, Global steel demand is estimated to have de-grown by -0.1% to reach 1,763 million MT in 2023 due to higher interest rates, slowdown in the global economy and weaknesses in manufacturing activity. Additionally, steel demand in China, the world's largest producer and consumer, remained weak owing to turmoil in the country's property sector. Going forward, steel demand in China

in 2024 is expected to remain around the level of 2023, as real estate investments continue to decline, but the corresponding steel demand loss is expected to be offset by growth in steel demand coming from infrastructure investments and manufacturing sectors.

Notably, India continued to remain an outlier in the global steel industry. India's finished steel demand grew by 13.6% to reach 136.25 million MT in FY24 on the back of strong economic growth. The growth is backed by a booming construction sector with private consumption as well as robust government expenditure fuelling infrastructure and capital goods as well.

On the production side, global crude steel production in 2023 reached 1,892 million MT, maintaining a level similar to that of 2022, as per World steel data published on January 25. China, the largest steel producer globally, saw a slight increase of 0.1%, bringing its total to 1019 million MT. India, the second-largest steel producer globally, saw a significant rise in production, increasing by 12.3% to 140.2 million MT in 2023, owing to strong domestic demand.

### Global Finished Steel Demand Trend (MMT)

| World           |              |
|-----------------|--------------|
| 2025 (P)        | 1,815        |
| 2024 (P)        | 1,793        |
| <b>2023</b>     | <b>1,763</b> |
| China           |              |
| 2025 (P)        | 887          |
| 2024 (P)        | 896          |
| <b>2023</b>     | <b>867</b>   |
| World ex. China |              |
| 2025 (P)        | 928          |
| 2024 (P)        | 897          |
| <b>2023</b>     | <b>896</b>   |

Source: World Steel Association, SRO April 2024

### Total Production of Crude Steel Worldwide (Thousand Tonnes)

| Country             | 2019             | 2020             | 2021             | 2022             | 2023             |
|---------------------|------------------|------------------|------------------|------------------|------------------|
| Brazil              | 32,568           | 31,414           | 36,071           | 34,089           | 31,868           |
| China               | 9,95,418         | 10,64,766        | 10,35,242        | 10,19,080        | 10,19,080        |
| Germany             | 39,627           | 35,680           | 40,241           | 36,860           | 35,438           |
| India               | 1,11,350         | 1,00,256         | 1,18,201         | 1,25,377         | 1,40,706         |
| Iran                | 25,609           | 28,990           | 28,320           | 30,593           | 31,039           |
| Japan               | 99,284           | 83,186           | 96,336           | 89,226           | 86,998           |
| Russia              | 71,729           | 71,620           | 77,019           | 71,746           | 76,028           |
| South Korea         | 71,411           | 67,078           | 70,418           | 65,846           | 66,683           |
| Türkiye             | 33,743           | 35,810           | 40,360           | 35,133           | 33,713           |
| United States       | 87,761           | 72,732           | 85,791           | 80,535           | 81,392           |
| Remaining Countries | 3,10,003         | 2,92,474         | 3,34,437         | 3,01,574         | 2,89,087         |
| <b>Total</b>        | <b>18,78,507</b> | <b>18,84,011</b> | <b>19,62,439</b> | <b>18,90,063</b> | <b>18,92,035</b> |

Source: World Steel Association, World Steel in Figures 2024

### Market Influences and Overall Observations

Starting from FY21, there was a notable increase in the indices for most raw materials and steel itself, likely driven by supply chain disruptions and economic recovery post-pandemic. Peaks in prices were observed in 2021 and 2022, followed by a downward trend in 2023, indicating general market volatility influenced by external factors such as the pandemic, economic recovery, and geopolitical events.

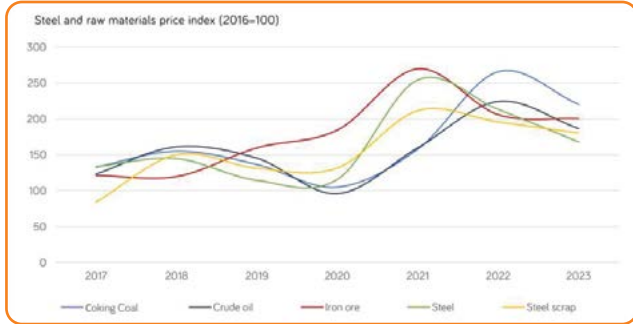
### Trends in Raw Material Prices

From 2016 to 2019, coking coal prices showed variability, peaking around 2018 before declining in 2020. A substantial rise occurred in 2021 and 2022, followed by a drop in 2023. Crude oil prices remained stable from 2016 to 2019, dipped in 2020 likely to the COVID-19 pandemic, then surged sharply in 2021 and 2022, and eventually declined in 2023. Iron ore prices displayed marked volatility, with a significant increase from 2016 to 2018, fluctuations thereafter, and a sharp rise in 2021 and 2022 before decreasing in 2023.



### Trends in Steel Prices

Steel prices followed an upward trend with fluctuations, showing a significant rise beginning in 2021, peaking in 2022, and then declining in 2023. Steel scrap prices remained relatively stable compared to other indices, with a gradual increase from 2016 to 2021, peaking in 2022, and a subsequent decline in 2023.



Source : [www.mintecglobal.com](http://www.mintecglobal.com)

### Outlook

Globally, the steel demand forecast for 2024 is projected to be 1,793.1 million tonnes, with a YoY growth rate of 1.7%. For 2025, the forecasted global steel demand is 1,815.2 million tonnes, reflecting a YoY growth rate of 1.2%.

The table below provides a forecast for the steel demand in the top 10 steel-using countries for the years 2024 and 2025. The figures, presented in million tonnes, highlight the expected year-over-year growth rates. The projected numbers indicate a mix of growth trends across different countries, reflecting various economic and industrial dynamics.

| Countries     | 2024 (P) | 2025 (P) | YoY Growth Rate 2024 (%) | YoY Growth Rate 2025 (%) |
|---------------|----------|----------|--------------------------|--------------------------|
| China         | 895.7    | 886.7    | 0.0                      | -1.0                     |
| India         | 144.3    | 156.0    | 8.2                      | 8.2                      |
| United States | 92.2     | 94.0     | 1.8                      | 2.0                      |
| South Korea   | 54.3     | 54.4     | -0.8                     | 0.2                      |
| Japan         | 53.3     | 53.9     | -0.1                     | 1.1                      |
| Russia        | 46.4     | 46.4     | 4.0                      | 0.0                      |
| Türkiye       | 41.5     | 39.4     | 9.0                      | -5.0                     |
| Mexico        | 28.8     | 29.3     | 1.2                      | 1.6                      |
| Germany       | 28.9     | 31.8     | 3.2                      | 10.0                     |
| Brazil        | 24.1     | 24.5     | 1.0                      | 1.6                      |

Source: World Steel Association, SRO April 2024

### Indian Steel Industry

India's steel consumption rose significantly by 13.6% in 2023, with further growth of 8.2% expected in 2024 and 2025. This remarkable rise can be attributed to several key factors:

- Infrastructure, Construction and Real Estate:** The booming real estate sector, government infrastructure projects, and construction initiatives are expected to significantly drive the growth in steel consumption in India. The rapid urbanisation and expansion of cities increases the demand for residential and commercial buildings, which requires vast amounts of steel. Government-led infrastructure projects, including highways, bridges, and metro systems, is expected to further boost steel usage. Additionally, construction initiatives aimed at improving urban and rural infrastructure, such as affordable housing and smart cities, are also expected to play a crucial role in driving the surge in steel consumption across the country.
- Manufacturing Sector:** India is becoming a manufacturing hub, with significant investments in automotive, appliances, and other sectors that require steel. The growth in these industries is expected to directly translate to higher steel consumption.
- Government Initiatives:** Various government initiatives, such as the development of smart cities, affordable housing schemes, and the expansion of railways and highways, have created a substantial demand for steel. Policies aimed at boosting domestic steel production also support this growth.
- Investment in Renewable Energy:** India has set an ambitious renewable energy target of achieving 500 GW of installed capacity from non-fossil fuel sources by FY30. This is expected to drive steel demand as solar panels and wind turbines require considerable steel for their structures and components.

### Steel Prices

In FY24, Indian steel prices declined due to high imports, weak exports, and a 15% drop in coking coal prices. Despite a 13-15% increase in domestic consumption driven by government infrastructure spending, steel prices remained subdued. HRC prices fell by 7%, rebar by 10-11%, and semi-finished steel by 12%. Factors contributing to this include increased imports, limited export growth, and a decrease in coking coal and scrap prices.

### Factors Impacting Steel Prices:

**High Imports and Weak Exports:** Indian steel imports increased to 7.2 million tonnes in April-February'24 from 5 million tonnes in the same period last year. Despite this, steel product exports are set to reach 9 million tonnes in FY24, up from 8.7 million tonnes in FY23. However, the weak global market has limited export growth.

**Coking Coal Prices:** Premium hard Australian coking coal prices fell by around 14% y-o-y in FY24. Coking coal accounts for about 45% of the hot metal production costs for integrated steel producers. The decrease in coking coal prices significantly impacted steel prices.

**Scrap and Sponge Iron Prices:** Global scrap prices declined due to the macroeconomic scenario in Türkiye, which influenced imported scrap prices and, in turn, domestic scrap prices. Similarly, sponge iron prices, a key feedstock for secondary steel manufacturing, fell by around 14-15% y-o-y.

**Domestic Iron Ore Prices:** Domestic iron ore prices remained firm, supported by the removal of export duty in November 2022, which increased pellet and iron ore exports. High-grade ore availability is tight in Odisha, with logistics issues and inventory declines leading to shortages.

### Outlook

India will continue to remain a bright spot in the global steel industry and domestic steel demand is expected to show healthy growth of 7-8%. This is expected to be driven by strong economic growth of 7.2% projected for FY25, a record government capex, buoyant demand from major steel consuming sectors like infrastructure and construction, automotive, capital goods as well as consumer durables.

### India finished steel demand trend (MMT)

| India finished steel demand |       |
|-----------------------------|-------|
| 2025 (P)                    | 156   |
| 2024 (P)                    | 144.3 |
| 2023                        | 133.4 |

Source: World Steel Association, SRO April 2024

### Indian Steel Pipes and Tubes Industry

The state of the Indian economy mirrors the growth seen in the Indian tube and pipe sector. Rising demand for oil and gas, increased global need for steel pipes, a booming transport industry, expanding urbanisation, and government initiatives in sanitation and wastewater management are key drivers. The sector is also benefiting from the escalating need for efficient water distribution and irrigation systems. These factors collectively propel the Indian tube and pipe industry forward, reflecting the broader economic trends and infrastructural developments within the country.

According to BlueWeave Consulting, the market size of the India steel pipes and steel tubes market was calculated at \$32.88 billion in 2023, and it is anticipated to expand at a CAGR of 6.43%. This growth is expected to culminate in a total value of \$37.69 billion by the year 2030. In terms of volume, the market is expected to increase from 6.98 million MT in 2023 to 7.66 million MT by 2030.

### Company Overview

Hariom Pipe Industries Limited is a prominent manufacturer and supplier of iron and steel products in India. Established with a vision to provide high-quality piping solutions, the company specialises in producing a diverse range of products, including premium steel items like Mild Steel (MS) Billets, HR Pipes, CR Pipes, GP Pipes, GI Pipes, Hot Rolled (HR) Coils, Cold Rolled (CR) Coils, Pre-Galvanized (GP) Coils, and Scaffolding systems. With a strong emphasis on customer satisfaction, the Company has built a reputation for excellence with a nationwide presence and a significant market presence in entire south India and the west part of India. The company's state-of-the-art manufacturing facilities and commitment to sustainable practices underscore its dedication to contributing to the growth of the steel industry while adhering to stringent quality standards.

### Review of Operations in FY24

#### Operational Highlights

- **Successful Ramp-Up of GP/GI Units:** The new GP unit (capacity of 1,20,000 MTPA) and the enhanced MS pipe unit (capacity of 1,32,000 MTPA) in Telangana, along with the GP/GI plant in Tamil Nadu (capacity of 1,80,000 MTPA), were successfully ramped up during the year.
- **CR Tandem Mill Enhances Product Portfolio:** A state-of-the-art Cold-Roll Tandem mill and an annealing furnace were commissioned at the Mahabubnagar Plant in Telangana during the quarter. The tandem mill, with its three cold rolling processes to reduce thickness variation and achieve high quality, produces pipes as thin as 0.4mm, which are in higher demand and command a premium. This addition brings new customers from industries such as fans, packaging strips, furniture, auto components, and pre-engineered building products to the company's portfolio.

#### Financial Highlights

HPIL achieved its best-ever performance in terms of revenue, volume, EBITDA, and PAT in FY24. Total Income reached ₹1,15,838.47 lakhs, and EBITDA soared to ₹14,379.14 lakhs, representing 80% and 74% YoY increases, respectively. This performance was bolstered by higher production from an enhanced capacity of 7,01,232 MTPA, up from 5,33,232 MTPA at the end of FY23, a higher share of Value-Added Products, and improved efficiency. The Company's commitment in expanding its Value-Added Products share resulted in a record high of 92% for the FY24, compared to 80% in FY23. This led to a 23% YoY increase in PAT, reaching ₹5,679.95 lakhs.

#### Positive Operating Cash Flow

The company's dedicated efforts to enhance cash flows resulted in a positive Operating Cash Flow for the FY24.

Strategic initiatives such as the Galvanized Pipe Project in Mahbubnagar, efficient inventory management, and proactive measures to reduce debtor days, like channel finance and efficient collection methods, led to an Operating Cash Flow of ₹495.54 lakhs in FY24, compared to a usage of ₹10,056.84 lakhs in FY23. This highlights the company's commitment to financial stability and growth. Notably, debtor days were reduced by 10 days from 49 days in FY23 to 39 days in FY24.

#### RoCE Improved to 18.8%

The Return on Capital Employed (RoCE) saw a significant increase during the fiscal year, rising from 14.63% to 18.83% due to effective resource utilisation. This improvement translated to an absolute figure of ₹3,671.86 lakhs, marking a 50% increase in earnings.

#### Financial Performance:

| Particulars            | FY24        | FY23      |
|------------------------|-------------|-----------|
| Total Income (₹ Lakhs) | 1,15,838.47 | 64,446.03 |
| EBITDA (₹ Lakhs)       | 14,379.14   | 8,263.15  |
| PAT (₹ Lakhs)          | 5,679.95    | 4,620.80  |
| Revenue per MT (₹)     | 57,944      | 59,010    |
| Cost per MT (₹)        | 50,719      | 51,435    |
| EBITDA per MT (₹)      | 7,225       | 7,575     |
| EBITDA margin (%)      | 12.41%      | 12.82%    |
| PBT Margin (%)         | 6.68%       | 9.75%     |
| PAT Margin (%)         | 4.90%       | 7.17%     |

#### Profitability Ratios:

| Particulars                       | FY24  | FY23  |
|-----------------------------------|-------|-------|
| Return on Capital Employed (RoCE) | 18.8% | 14.6% |
| Return on Equity (RoE)            | 12.2% | 12.3% |

#### Cash Flow Analysis:

| Particulars         | FY24        | FY23        |
|---------------------|-------------|-------------|
| Operating Cash Flow | 495.54      | (10,056.84) |
| Investing Cash Flow | (18,159.02) | (22,151.88) |
| Financing Cash Flow | 7,437.18    | 42,605.74   |

#### Balance Sheet Metrics:

| Particulars                     | FY24      | FY23      |
|---------------------------------|-----------|-----------|
| Net Working Capital             | 19,502.09 | 22,662.94 |
| Total Debt                      | 37,088.54 | 29,601.80 |
| Total Outside Liabilities (TOL) | 41,612.48 | 33,401.78 |
| Net Worth                       | 46,411.75 | 37,516.66 |
| Cash and Equivalents            | 177.97    | 10,404.27 |

#### Financial Ratios:

| Particulars                | FY24 | FY23 |
|----------------------------|------|------|
| Current Ratio              | 1.68 | 2.12 |
| Interest Coverage Ratio    | 3.38 | 7.05 |
| Debt to Equity Ratio (D/E) | 0.80 | 0.79 |
| TOL / Net Worth            | 0.90 | -    |

#### SWOT Analysis of the Company

##### STRENGTHS

##### Established Presence in the steel pipes and tubes Industry

- **Experience and Expertise:** The promoters of HPIL have combined experience of over 50 years of experience in the industry, which gives them a deep understanding of market dynamics.

- **Diverse Product Profile**

Our diverse product portfolio has enabled the company to cater to a broader market and adapt quickly to changing industry demands.

- **Strong Relationships and Dealer Network**

The company has established strong relationships with steel traders, dealers, and manufacturers across key regions, including Karnataka, Maharashtra, Kerala, Andhra Pradesh, Telangana, and Tamil Nadu. A robust dealer network further strengthens the company's market presence and distribution capabilities, ensuring efficient product availability and customer service.

##### Integrated Operations Leading to Healthy Operating Efficiency

- **Manufacturing Evolution:** We have now grown to producing HR strips, MS tubes, galvanized coils, galvanized iron pipes, and scaffolding.
- **Backward Integration:** We have now grown to producing MS sponge iron in FY22, enhancing control over raw materials and into MS billets and HR strips.
- **Profitability:** Maintained superior profitability with operating margins between 11.0-13.4% over the past three years, outperforming many peers.
- **Cost Savings:** Utilising solar power and a new furnace unit has resulted in significant power cost savings, further boosting operating margins.

##### Comfortable Financial Risk Profile

- **Capex Management:** Avoiding large, debt-funded capex projects over the medium term, which helps maintain financial stability.
- **Fund Infusion:** Received ₹ 135 crore from the issue of warrants and shares on a preferential basis, with



an additional ₹ 55 crore anticipated in the first half of FY25.

## WEAKNESSES

### Exposure to Intense Competition and Cyclicity in the Industry

- **Fragmented Market:** The Indian Steel Pipes and Tubes sector consists of numerous small and medium-sized enterprises (SMEs) alongside larger, well-established players. This fragmentation leads to intense competition, diverse product offerings, and varying scales of production and technological advancement across the industry.
- **Cyclicity of Industry:** The industry's performance is closely tied to the overall economic environment, making it susceptible to economic downturns.
- **Exposure to Volatility in Steel Prices**
  - **Input Cost Fluctuations:** Operating profitability is highly sensitive to changes in the prices of inputs like sponge iron, steel scrap, and power.
  - **Market-Driven Prices:** The company is a price taker in the market, with no price contracts with suppliers or customers.
  - **Margin Impact:** Any significant fluctuation in steel prices can adversely affect the operating margin.

## OPPORTUNITIES

### Expansion & Increasing Efficiencies.

The fragmented nature of the industry also presents opportunities for consolidation and growth, as companies seek to expand their market share and improve operational efficiencies.

- **Value-Added Products:** Continued addition of value-added steel products can drive higher margins and revenue growth.
- **Geographic Expansion:** Exploring new domestic and international markets can enhance market presence and reduce regional dependency.
- **Technological Advancements**
  - **Operational Efficiency:** Investing in advanced manufacturing technologies can further improve operational efficiency and reduce costs.
  - **Sustainability:** Implementing eco-friendly practices and sustainable operations can attract environmentally conscious customers and investors.

### Strategic Partnerships and Alliances

- **Collaborations:** Forming strategic partnerships with other companies can enhance market reach and operational capabilities.

- **Supply Chain Improvements:** Strengthening the supply chain through alliances can reduce input cost volatility and improve profitability.

## THREATS

### Regulatory Changes

- **Compliance Costs:** Changes in environmental regulations and industry standards can increase compliance costs and affect profitability.
- **Trade Policies:** Alterations in trade policies and tariffs can impact the cost of raw materials and finished goods, affecting overall business performance.

### Economic Downturns

- **Demand Fluctuations:** Economic slowdowns can lead to reduced demand for steel products, impacting revenue and profitability.
- **Credit Risks:** Economic instability can increase credit risks, affecting the company's financial health.

### Technological Disruptions

- **Innovation by Competitors:** Rapid technological advancements by competitors can disrupt the market and challenge HPIL's market position.
- **Operational Obsolescence:** Failing to keep up with technological changes can lead to operational inefficiencies and reduced competitiveness.

## Risk Management

The risk management process at our organization involves identifying both current and potential internal and external events that could influence strategy and objectives. The Risk Management Committee of the Company reviews and oversees the comprehensive risk assessment to evaluate the level of risk, nature, likelihood, velocity and impact of these risks. The committee is also responsible for risk treatment, which includes selecting appropriate management options, evaluating existing controls, and developing new treatment plans to ensure their effectiveness. Internal controls ensure timely and accurate information, enabling proactive risk management. Risk mitigation includes implementing policies, procedures, and processes to address potential future events. Continuous risk control and monitoring involve analyzing trends, tracking changes, and conducting quarterly reviews by the functional department to update risk profiles and treatment plans.

### Risk Mitigation

At Hariom Pipes, mitigating business operational risks is achieved through a well-defined organisational structure, ensuring role clarity, and maintaining proper systems for inventory management of raw materials and key spares. We emphasise technology selection, process standardisation, and clear SOPs, complemented by training and asset upkeep. Our strategic initiatives

include tracking micro and macroeconomic data, market trends, and forecasts by expert agencies, as well as developing alternative sources for uninterrupted raw material supply. We closely monitor competitor dynamics and implement cost-control initiatives to enhance operational efficiency. Additionally, the company has established a dedicated transport group to manage logistics, continuously evaluates technological obsolescence, and maintains a robust disaster risk management plan, including insurance coverage and safety training.

Financial risks are managed by maintaining a low credit risk profile, with timely realisation of trade receivables and a strong assessment system for customer creditworthiness. Liquidity risk is mitigated through prudent financial planning, maintaining sufficient cash, and securing funding via sanctioned credit facilities. Detailed annual and quarterly budgets are discussed at senior levels, with regular monitoring of cash flows. Market risks are addressed by reviewing interest rate movements, ensuring adequate liquidity, and avoiding foreign currency exposure. The company remains committed to high standards of corporate governance, compliance with evolving laws, and preventing corporate accounting fraud through rigorous internal controls and a whistleblower mechanism. Human resource risks are managed by assigning the right jobs, maintaining a proper recruitment policy, and fostering employee welfare and development. Environmental risks are mitigated through efficient operation of environment protection systems, and legal risks are managed by relying on professional guidance to ensure total compliance with laws and regulations.

For more details of our risk management policy <https://www.hariompipes.com/investor-relations-policies.php>

## Human Resources

With strong leadership and a people-focused approach, we ensured business continuity while prioritizing our workforce's health, safety, and engagement. We foster an inclusive environment that promotes growth and innovation, attract top talent through comprehensive recruitment, and empower employees with ongoing training. Committed to meritocracy and employee welfare, we build a motivated workforce that drives our organization's sustainable growth and success. As on March 31, 2024, the company has 848 employees.

## Internal Control Systems

The Company has established robust internal control systems to ensure operational efficiency, reliability of financial reporting, and compliance with applicable laws and regulations. These systems include well-defined policies and procedures that facilitate the timely availability of accurate information, thereby enabling proactive risk management. Regular internal audits and reviews are conducted to assess the effectiveness of these controls, ensuring that any deviations are promptly addressed. The Audit Committee and Board of Directors of the Company oversees the internal control framework, ensuring its adequacy and alignment with the organisation's strategic objectives, thereby fostering a disciplined and constructive control environment across all levels of the organisation.

## CAUTIONARY STATEMENT:

*Statements in this report describing the Company's objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those expressed or implied based on reasonable assumptions. The Company assumes no responsibility in respect of forward looking statement herein which may undergo changes in future on the basis of subsequent developments, information and events.*

# Board's Report

Dear Members,

The Board of Directors is delighted to present the 17<sup>th</sup> Annual Report on the business and operations of the Company ("the Company" or "HPIL"), together with the Audited Financial Statements for the financial year ended March 31, 2024 (FY 2023-24).

## 1. FINANCIAL PERFORMANCE AND OPERATIONS:

### (i) Financial Results:

The Audited Financial Statements of your Company as on March 31, 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards ("IND AS") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

The key highlights of standalone financial performance for the year ended March 31, 2024, as compared with the previous year is summarized below:

Amount in ₹ Lakhs

| Particulars  | FY 2023-24         | FY 2022-23       |
|--|--------------------|------------------|
| Revenue from Operations                                  | 1,15,318.77        | 64,371.21        |
| Other Income   | 519.71             | 74.82            |
| <b>Total Revenue</b>                                     | <b>1,15,838.47</b> | <b>64,446.03</b> |
| Profit before Depreciation, Finance Cost and Tax Expense | 14,379.14          | 8,263.15         |
| Less: Depreciation                                       | 3,386.58           | 942.45           |
| Less: Finance Cost                                       | 3,256.32           | 1,038.04         |
| <b>Profit/(Loss) before Tax (PBT)</b>                    | <b>7,736.25</b>    | <b>6,282.66</b>  |
| Total Tax Expenses                                       | 2,056.30           | 1,661.86         |
| <b>Profit/(Loss) after Tax (PAT)</b>                     | <b>5,679.95</b>    | <b>4,620.80</b>  |

### (ii) Operational Review:

During the year under review, your Company has registered a total income of ₹1,15,838.47 Lakhs as against ₹64,446.03 Lakhs in the previous financial year, showing a significant year-on-year growth of 80%. The Net Profit of the Company has increased to ₹5,679.95 Lakhs as against the Net Profit of ₹4,620.80 Lakhs in the previous financial year showing a rise of 23%. Earnings per share for the year was ₹20.34/-.

Your Company is actively engaging with customers to nurture long-term partnerships while also seeking to establish new relationships. The Directors remain optimistic about the business's prospects and are hopeful for improved performance and increased revenue in the coming year. They are confident that these efforts will lead to greater success and sustained growth for the Company.

## 2. DIVIDEND:

The Board of Directors of your Company is pleased to recommend a dividend @6%, i.e., ₹0.60/- (Sixty Paise only) per equity share of face value of Rs. 10/- each, as final dividend for the FY 2023-24, subject to the approval by the members at the ensuing Annual General Meeting. The payment of dividends will be subject to deduction of applicable taxes and shall be payable to those shareholders whose name appears in the Register of Members as on the record date i.e., September 16, 2024. The final dividend for the FY 2023-24 would involve a cash outflow of ₹1,73,19,075.00/- (Rupees One Crore Seventy-Three Lakhs Nineteen Thousand and Seventy-Five only).

The Dividend Distribution Policy, pursuant to Regulation 43A of SEBI Listing Regulations (as amended) is available on the Company's website and can be accessed at URL <https://www.hariompipes.com/pdf/policies/Dividend-Distribution-Policy.pdf>.



### 3. TRANSFER TO RESERVES:

The Company has not transferred any amount to the general reserves during the financial year ending March 31, 2024.

### 4. SHARE CAPITAL:

#### (i) Authorised Capital:

During the year under review, there was no change in the Authorized Share Capital of the Company. The Authorised Share Capital of the Company is ₹40,00,00,000/- (Rupees Forty Crores only) divided into 3,66,83,800 (Three Crore Sixty-Six Lakhs Eighty-Three Thousand and Eight Hundred) equity shares of ₹10/- (Rupees Ten only) each and 33,16,200 (Thirty-Three Lakhs Sixteen Thousand and Two Hundred) 0% Series A redeemable Non-Cumulative Preference Shares of ₹10/- (Rupees Ten only) each.

#### (ii) Paid-up Capital:

During the year under review, the Paid-up Share Capital of the Company was increased from ₹30,56,56,290/- to ₹31,81,51,260/-. The total Paid-up Share Capital of the Company is ₹31,81,51,260/- (Thirty One Crore Eighty One Lakhs Fifty One Thousand Two Hundred and Sixty only) divided into 2,88,65,126 Equity Shares of ₹10/- each and 29,50,000 Preference Shares of ₹10/- each as on 31<sup>st</sup> March, 2024.

- a) The Board of Directors vide resolution passed by circulation on April 06, 2023 has allotted 2,750 Equity Shares of ₹10/- each as Preferential Issue.
- b) The Board of Directors vide resolution passed by circulation on January 03, 2024 has allotted 12,46,747 Equity Shares at an issue price of ₹345/- each (i.e., of the face value of ₹10/- each and at a premium of ₹335/- each), consequent to the exercise of 12,46,747 convertible warrants allotted on preferential basis.

### 5. PREFERENTIAL ISSUE:

The Company's Members at their meeting held on February 20, 2023, approved the issuance of 21,44,000 equity shares and 33,71,000 convertible warrants at ₹345 each. The Company received in-principal approval for these from BSE Limited and National Stock Exchange of India Limited on March 24, 2023 and March 27, 2023, respectively, for the issue and allotment of 21,43,500 equity shares and 33,69,500 convertible warrants.

On April 6, 2023, the Company allotted 2,750 equity shares and 7,500 convertible warrants, with trading approval for the equity shares granted on

June 5, 2023, from both stock exchanges.

The funds raised through this preferential issue will be used by the Company to meet the Company's working capital requirements. There has been no deviation or variation in the utilization of the proceeds of the preferential issue during the year under review.

### 6. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:

During the year under review, there was no change in the nature of the business of the Company.

### 7. DEPOSITS FROM PUBLIC:

During the year under review, the Company has neither accepted nor renewed any deposits pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 including any modification, amendment and re-enactment thereto for the time being in force from the public.

### 8. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

The Company does not have any subsidiary / joint venture / associate companies during the year under review.

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The detailed report on the Management Discussion and Analysis for the year under review as stipulated under Regulation 34(2)(e) read with Schedule V (B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section and forms part of this Annual Report. The Audit Committee of the Company has reviewed the Management Discussion and Analysis Report in accordance with the provision of Listing Regulations for the year ended March 31, 2024.

### 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:

Particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended from time to time are annexed as "BR\_Annexure - I" to this Annual Report.

### 11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of the Company comprises of Seven (7) Directors with an optimum combination of Executive, Non-Executive and Independent

Directors including two Women Directors and three Independent Directors. The details of Board and Committee composition, tenure of directors, number of meetings and other details are provided in the Corporate Governance Report which forms a part of this Annual Report.

**a) Directors Retiring by Rotation:**

In compliance with the provisions of Section 152 of the Companies Act, 2013 and Article of Association of the Company, Mrs. Sunita Gupta, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Board of Directors recommend her re-appointment.

Brief profile of Mrs. Sunita Gupta has been provided in the notice and forms a part of this Annual Report.

**b) Appointment/Re-appointment/Change in Designation of Director:**

During the year under review, the Members approved the following appointment, re-appointment and change in designation of Directors:

- (i) Re-appointment of Mr. Rupesh Kumar Gupta, (DIN: 00540787) as a Managing Director of the Company for a period of 3 (three) years effective from January 08, 2024.
- (ii) Re-appointment of Mr. Sailesh Gupta (DIN: 00540862) as a Whole Time Director of the Company for a period of 3 (three) years effective from January 08, 2024.
- (iii) Change in designation of Mr. Soumen Bose (DIN: 09608922) from Non-Executive Independent Director to Non-Executive Director of the Company effective from January 03, 2024.

Except as stated above, there were no changes in the Board of Directors of the Company.

**c) Key Managerial Personnel:**

In compliance with the provisions of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there were following changes in the Key Managerial Personnel of the Company during the year under review:

- (i) Mr. Chirag Partani resigned from his position as Company Secretary and Compliance Officer effective from the close of business hours on October 10, 2023. The Board sincerely appreciates and acknowledges his

contributions and dedicated service during his tenure.

- (ii) Mrs. Rekha Singh was appointed as the Company Secretary and Compliance Officer of the Company effective from October 10, 2023.

Except as mentioned above, there have been no other changes in the Key Managerial Personnel of the Company. As on March 31, 2024, the Company has following Key Managerial Personnel:

| S. NO. | NAME OF KMP's             | DESIGNATION                            |
|--------|---------------------------|--|
| 1      | Mr. Rupesh Kumar Gupta    | Managing Director                      |
| 2      | Mr. Amitabha Bhattacharya | Chief Financial Officer                |
| 3      | Mrs. Rekha Singh          | Company Secretary & Compliance Officer |

Remuneration and other matters provided in Section 178(3) of the Act have been disclosed in the Corporate Governance Report, which forms a part of this Annual report.

**d) Meetings of the Board:**

During the year under review, five (5) meetings of the Board of Directors were convened and held. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations. The details of Board meetings and other details are provided in the Corporate Governance Report which forms a part of this Annual Report.

**e) Independent Directors:**

**(i) Statement of Declaration given by Independent Directors:**

In compliance with the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, all the Independent Directors have submitted the Declaration of Independence, stating that they meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director.

The Independent Directors have also given declaration of compliance with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, with respect to their name appearing in the data bank of Independent

Directors maintained with Indian Institute of Corporate Affairs.

**(ii) Meeting of Independent Directors:**

Meeting of the Independent Directors, held without the presence of Non-Independent Directors and members of Management took place on February 27, 2024. The Independent Directors inter-alia have reviewed and evaluated the performance of Non-Independent Directors, the Committees, the Managing Director and the Board as a whole along with the performance of the Chairperson of the Board and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(iii) Familiarization Programmes for Independent Directors:**

In accordance with the requirements of Listing Regulations, all the Independent Directors are familiarized with their roles, rights and responsibilities in the Company at the time of appointment and also on a recurrent basis. The details of the familiarization programme imparted to Independent Directors of the Company during FY 2023-24 is available on the Company's website, which can be accessed at <https://www.hariompipes.com/investor-relations-details-of-familiarization-programmes.php>

**(f) Committee of the Board and details of meetings:**

The various Committees constituted by the Board, as stipulated under the Companies Act and Listing Regulations are as follows:

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee;
- (iii) Stakeholders Relationship Committee;
- (iv) Corporate Social Responsibility (CSR) Committee; and
- (v) Risk Management Committee.

All the recommendations made by the Committees of Board including the Audit Committee were accepted and approved by the Board.

During the year under review, four (4) meetings of the Audit Committee, three (3) meetings of Nomination and Remuneration Committee, one (1) meeting of Stakeholders Relationship

Committee, one (1) meeting of Corporate Social Responsibility (CSR) Committee and two (2) meetings of Risk Management Committee were convened and held.

Brief details pertaining to composition, terms of reference, meetings held and attendance of these Committees during the year has been enumerated in the Corporate Governance Report, which forms a part of this Annual Report.

**(g) Appointment of Directors and Remuneration Policy:**

The assessment and appointment of members to the Board are based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. Potential independent Board members are also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013, and on recommendations of Nomination and Remuneration Committee, the Board has formulated and adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management that outlines the guidelines related to performance evaluation of Directors, remuneration principles and Board diversity, the policy is available on the Company's website, which can be accessed at <https://www.hariompipes.com/pdf/policies/nomination-and-remuneration-policy.pdf>

**12. BOARD EVALUATION:**

In compliance with the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and Regulation 17(10) of the Listing Regulations, an evaluation of the annual performance of the Board, its Committees and Individual Directors were undertaken by the Board. To ensure an effective evaluation process, the Nomination and Remuneration Committee of the Board of Directors ("NRC") has put in place an evaluation framework for conducting the performance evaluation exercise.

Based on the criteria set by NRC, the Board has carried out annual evaluation of its own performance, its committees and individual Directors for the FY 2023-24.

The performance evaluation of the Board was conducted based on key attributes such as composition, administration, corporate governance, independence from Management, safeguarding



the interest of the Company and its minority shareholders etc. Parameters for evaluation of Directors included constructive participation in meetings and engagement with colleagues on the Board. Similarly, the Committees were evaluated on parameters such as adherence to their terms of the mandate, deliberations on key issues, reporting to Board etc. Evaluation of the Chairman was focused on the basis of his leadership, guidance to the Board and overall effectiveness. The Directors expressed their satisfaction with the evaluation process.

In a separate meeting of the Independent Directors, a comprehensive evaluation was conducted on the performance of the Non-Independent Directors, the Board as a whole, and the Chairman of the Board.

### 13. RELATED PARTY TRANSACTIONS:

All the Related Party Transactions entered into by the Company during the year under review, were in the Ordinary Course of Business and at an Arm's Length basis and were reviewed and approved by the Audit Committee and the Board. Omnibus approval is obtained for transactions which are foreseeable and repetitive in nature. A statement of all Related Party Transactions are presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transactions. Complete details of Related Party Transactions are given in the Notes to Financial Statements which forms a part of this Annual Report.

In compliance with the requirements of the Listing Regulations, the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website at <https://www.hariompipes.com/pdf/policy-on-related-party-transaction.pdf>

Information on transactions with Related Parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Form AOC-2 and is attached as "BR\_Annexure - II" to this Annual Report.

### 14. COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the various provisions of all Secretarial Standards, including amendments thereto, as issued by the Institute of Company Secretaries of India ('ICSI').

### 15. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief, your Directors state that:

- a. In the preparation of the annual accounts for financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended March 31, 2024 and of the statement of profit and loss of the Company for the financial year ended March 31, 2024;
- c. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They had prepared the annual accounts for the financial year ended March, 31, 2024 on a 'going concern basis';
- e. They had laid down proper Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively; and
- f. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 16. AUDITORS AND AUDIT REPORT:

#### (i) Statutory Auditors and Statutory Auditor's Report:

Pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended, M/s. R Kabra & Co. LLP, Chartered Accountants (Firm Registration No. 104502W/W100721) were appointed as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the 14<sup>th</sup> Annual General Meeting held on September 14, 2021 till the conclusion of 19<sup>th</sup> Annual General Meeting to be held in the year 2026.

The Independent Auditors' Report issued by M/s. R Kabra & Co. LLP, Chartered Accountants, Statutory Auditors of the Company on the Financial Statements for the FY 2023-24 is unmodified and do not contain any qualification, reservation, or adverse remark or disclaimer. The Statutory Auditor's Report is enclosed with the Financial Statements and forms a part of this Annual Report.

**Reporting of Frauds by Auditors:**

During the year under review, there is no instance of frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

**(ii) Cost Auditors and Cost Audit Report:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Company has to maintain the cost accounts and records, as specified by the Central Government. These cost accounts and records are subject to an audit by a Cost Accountant.

The Board of Directors based on the recommendation of Audit Committee has re-appointed M/s. Sheshadri & Associates, Cost Accountants, (Firm Registration No. 101476) as the Cost Auditors of the Company for conducting the cost audit for the FY 2024-25. The necessary consent letter and certificate of eligibility was received from the cost auditors confirming their eligibility to be reappointed as the Cost Auditors of the Company. Further, a resolution seeking Members’ approval for ratifying the remuneration payable to the Cost Auditors for the FY 2024-25 has been included in the the notice convening 17<sup>th</sup> Annual General Meeting for their ratification.

The Cost accounts and records as required to be maintained under section 148(1) of the Act are duly made and maintained by your Company.

**Cost Audit Report for the year ended March 31, 2024:**

The Cost Audit Report for the FY 2023-24 Shall be filed with the Central Government within the stipulated timeline.

**Maintenance of Cost Records:**

The provisions of Cost Records are applicable to the Company and the Company has made and maintained the cost records as specified by the Central Government under sub-section (1) Section 148 of the Companies Act, 2013.

**(iii) Secretarial Auditors and Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on May 17, 2024 have re-appointed M/s. VSSK & Associates, Practicing Company Secretary as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the year ending March 31, 2025.

**Annual Secretarial Audit Report:**

In terms of Section 204 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed as **“BR\_Annexure - III”** to this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

**Annual Secretarial Compliance Report:**

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, an Annual Secretarial Compliance Report for the financial year ended March 31, 2024 on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder, was obtained from M/s. VSSK & Associates, Secretarial Auditors and submitted to the stock exchanges.

**(iv) Internal Auditors and Internal Audit Report:**

Pursuant to the provisions of Section 138 and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. Ravi Ladia & Co., Chartered Accountants (Firm Registration No. 014255s), as an Internal Auditors of the Company for the FY 2024-25. M/s. Ravi Ladia & Co., have confirmed their willingness to be re-appointed as an Internal Auditors of the Company and are submitting their reports on quarterly basis.

**17. CREDIT RATINGS:**

During the FY 2023-24, CRISIL Ratings Limited has assigned the following rating vide its letter dated April 01, 2024, to the Company:

| Facility       | Tenure     | Previous Rating               | Current Ratings  |
|----------------|------------|-------------------------------|------------------|
| Fund Based     | Long Term  | CRISIL A-/Stable (Reaffirmed) | CRISIL A-/Stable |
| Non-Fund Based | Short Term | CRISIL A2+ (Reaffirmed)       | CRISIL A2+       |

## 18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company has constituted Corporate Social Responsibility (CSR) Committee comprising of three Directors, Mr. Rupesh Kumar Gupta, Mr. Sailesh Gupta and Mr. Pramod Kumar Kapoor. The Chairman of the committee is an Executive Director. During the year under review, the Company has spent a total sum of ₹87,20,504/- on the CSR activities as approved by the CSR Committee.

Brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as "BR\_Annexure - IV" and forms a part of this Annual Report. The above said Policy is available on the Company's website, which can be accessed at <https://www.hariompipes.com/pdf/policies/CSR-Policy.pdf>.

## 19. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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

## 20. QUALITY AND SYSTEMS:

During the year under review, your Company continues to maintain its certification under the Integrated Management Systems with certifications under ISO 9001:2015.

## 21. CODE OF CONDUCT:

In compliance with Regulation 17(5) of Listing Regulations, the Company has a comprehensive Code of Conduct ('the Code') in place applicable to all the Senior Management Personnel and Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code provides guidance on ethical conduct of business and compliance of law. The Code is available on the Company's website, which can be accessed at <https://www.hariompipes.com/pdf/code-of-conduct/Code-of-Conduct-for-Board-and-Senior-Management.pdf>.

The Members of the Board and Senior Management Personnel have affirmed compliance with the respective Code of Conduct, as applicable to them for the financial year ended March 31, 2024. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations, is given in the Corporate Governance Report which forms a part of this Annual Report.

## 22. ANNUAL RETURN:

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rule, 2014, the Annual Return of the Company for the financial year ended March 31, 2024, has been hosted on the Company's website, which can be accessed at <https://www.hariompipes.com/investor-relations-annual-return.php>.

## 23. CORPORATE GOVERNANCE REPORT:

Your Directors reaffirm their continued commitment to adhere to the highest standards of Corporate Governance. In compliance with the Regulation 34(3) read with Schedule V (C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Corporate Governance Report as on March 31, 2024 as stipulated under the Listing Regulations forms a part of this Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulations forms a part of this Annual Report.

## 24. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

In accordance with Regulation 34(2)(f) of the Listing Regulations read with SEBI Circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, the BRSR for the FY 2023-24, describing the initiatives taken by your Company from an environment, social and governance (ESG) perspective, forms a part of this Annual Report. In addition to the BRSR, the Annual Report of your Company provides an insight on various ESG initiatives adopted by the Company.

## 25. COMPANY'S POLICIES:

The details of the policies approved and adopted by the Board are provided in the Corporate Governance Report which forms a part of this Annual Report.

## 26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013:

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



## 27. NOMINATION AND REMUNERATION POLICY:

Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with an objective of having a Board with diverse backgrounds and experience. Characteristics expected from all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. Policy on appointment and removal of Directors can be accessed at the Company's website at <https://www.hariompipes.com/pdf/policies/nomination-and-remuneration-policy.pdf>

Based on the recommendations of Nomination and Remuneration Committee, the Board has framed a Remuneration Policy for selection and appointment of Directors, Key Managerial Personnel (KMP), Senior Management and their remuneration, specifying criteria for evaluation of performance and process. As part of the policy, Company strives to ensure that:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, Key Managerial Personnel (KMP) and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of Company and its goals.

The salient features of this policy are:

- This Policy sets out the guiding principles for the Human Resources and Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management of the Company.
- It lays down the parameters based on which payment of remuneration (including sitting fees and remuneration) should be made to Non-Executive Directors.
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, commission, retirement benefits) should be given to Managing Director, Whole-time Directors, KMPs and Senior Management.

The Remuneration Policy, outlining the principles and guidelines for the compensation of Directors, Key Managerial Personnel (KMP) and Senior Management can be accessed at the Company's website at <https://www.hariompipes.com/pdf/policies/nomination-and-remuneration-policy.pdf>

## 28. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

In compliance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a comprehensive Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

The Whistle Blower Policy aims to encourage directors, employees and other stakeholders to report any instances of unethical or improper activity, actual or suspected fraud or violation of the Code of Conduct without fear of retaliation. The policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The policy may be accessed on the Company's website at <https://www.hariompipes.com/pdf/policies/whistle-blower-policy.pdf>.

During the year under review, your Company has not received any complaints under the vigil mechanism.

## 29. RISK MANAGEMENT POLICY:

The Company has instituted a proper mechanism for appropriate identification and establishing controls to effectively manage different kinds of risks. This risk identification exercise is integrated with the annual planning cycle, ensuring both regularity and comprehensiveness. Risks are identified at the strategic, business, operational and process levels.

The Board has constituted a Risk Management Committee and formulated a policy on Risk Management in accordance with the Companies Act, 2013 and Regulation 21 of Listing Regulations, 2015 to frame, implement and monitor the risk management plan and ensure its effectiveness. The details of the Committee, its terms of reference and meeting details are set out in the Corporate Governance Report which forms a part of this Annual Report. The Policy on Risk Management of the Company is posted on the Company's website and can be accessed at <https://www.hariompipes.com/pdf/policies/Risk-Management-Policy-new.pdf>.

## 30. PARTICULARS OF EMPLOYEES:

Disclosure of ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company and other

requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as “BR\_Annexure - V”. Further, particulars of employees pursuant to Rule 5(2) & 5(3) of the above Rules forms a part of this Annual Report. The said information is available for inspection at the registered office of the Company during working days of the Company up to the date of the ensuing Annual General Meeting.

### 31. PREVENTION OF INSIDER TRADING AND CODE OF FAIR DISCLOSURE:

In compliance with the provisions of SEBI (PIT) Regulations, 2015, the Board has formulated a Code of Internal Procedures and Conduct to regulate, monitor, and report trading by Insiders. This code outlines the guidelines and procedures to be followed, and the disclosures required by insiders when dealing with Company shares, while also warning them of the consequences of non-compliance. The code of conduct has been hosted on the Company's website, which can be accessed at <https://www.hariompipes.com/pdf/code-ofconduct/Code%20of%20Conduct%20under%20PIT%20Regulations,%202015.pdf>.

Further, the Board has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Fair Disclosure Policy”). This code ensures the fair disclosure of events and occurrences that could affect price discovery in the market for the Company's securities, promoting uniformity, transparency, and fairness in dealings with all stakeholders, and ensuring adherence to applicable laws and regulations. The Fair Disclosure Code has been hosted on the Company's website, which can be accessed at <https://www.hariompipes.com/pdf/policies/Fair-Disclosure-Policy.pdf>.

### 32. POLICY ON SEXUAL HARASSMENT:

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee (“ICC”) has been constituted by the Senior Management. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the financial year ended March 31, 2024, no complaints pertaining to sexual harassment have been reported.

### 33. LISTING STATUS:

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The annual listing fees for the year 2024-25 have been paid to both the exchanges. The Company has also paid the Annual Custody Fee to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2024.

### 34. REVISION MADE IN FINANCIAL STATEMENTS/ BOARD'S REPORT:

The Company has not made any revisions to the Financial Statements or Board's Report for any of the three preceding financial years.

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

During the year under review, no significant and/or material orders, were passed by any Court or Regulator or Tribunal, which may impact the going concern status of the Company and its future operations.

### 36. PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, no application have been made under the Insolvency and Bankruptcy Code, 2016, therefore there are no details of application or proceedings pending to disclose under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

### 37. MATERIAL CHANGES AND COMMITMENTS:

The material events that have occurred after the close of the financial year till the date of this report are as follows:

1. A non-compete agreement dated September 18, 2021 was executed between Hariom Pipe Industries Limited and M/s. Ultra Pipes represented by their common promoter. This agreement prohibits the promoters from engaging in or expanding any business activities that compete with Hariom's business through M/s. Ultra Pipes.

Based on the recommendation of Audit Committee, the Board of Directors at their meeting held on May 27, 2024, approved the acquisition of the Operating Assets (Building and Plant & Machinery) of M/s. Ultra Pipes, located in Mahbubnagar District, at a pay consideration of ₹40.16 Crores under the terms and conditions specified in the Asset Acquisition Agreement.

This action aligns with the commitment outlined in the definitive agreement. Since the agreement restricts the promoter from expanding capacity in Ultra Pipes and running it independently, this acquisition will ensure smooth operations and overall business prosperity for Hariom Pipe Industries Limited.

2. As approved by the members in their meeting held on February 20, 2023, the Company has allotted 33,48,125 and 7,500 Convertible Warrants on March 31, 2023 and April 06, 2023 respectively. These warrants carry a right to subscribe 1 (one) Equity Share per warrant, and shall be exercised in one or more tranches during the period commencing from the date of allotment of warrants until the expiry of 18 (eighteen) months from the date of allotment of warrants.

Accordingly, the Board of Directors vide resolution passed by circulation on June 24, 2024 has approved second tranche of allotment of 20,93,825 Equity Shares, at an issue price of ₹345/- each (i.e., face value of ₹10/- each and at a premium of ₹335/- each), consequent to the exercise of 20,93,825 convertible warrants allotted on preferential basis. The newly allotted shares will rank pari-passu with the existing equity shares of the Company in all respects, including dividend entitlement and voting rights.

The Company has completed all necessary formalities and regulatory compliances associated with this allotment. The shares will be credited to the respective demat accounts of the warrant holders, and necessary filings with the regulatory bodies will be completed in due course.

Except as mentioned above, there are no other material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year ended March 31, 2024 and the date of this Board's Report.

### 38. GENERAL:

During the year under review, your Directors notify that no disclosure or reporting is required for the following items as there were no transactions related to these items during the financial year under review:

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise.

- (ii) Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- (iii) The Company does not have any Employee Stock Option Scheme & Employee Stock Purchase Scheme for its Employees/Directors.
- (iv) There was no one-time settlement with any Banks or Financial Institutions during the year. Hence, disclosure pertaining to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan is not applicable.

### 39. HUMAN RESOURCE:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

### 40. ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their appreciation for the cooperation and continued support received from the customers, vendors, bankers, stock exchanges, depositories, auditors, legal advisors, consultants, stakeholders, business associates, Government of India, State Governments, Regulators and local bodies. The Directors also wish to place on record their sincere appreciation for the significant contribution made by its employees through their dedication, hard work and commitment at all levels. The Board look forward to your continued support in the future

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

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

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

Date: August 09, 2024  
Place: Hyderabad



# BR\_Annexure-I

## DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

### (A) CONSERVATION OF ENERGY:

- i) The Company being a manufacturing unit has been using hot charge technique for round rolling; the billets are delivered for hot rolling in the wire rod or bar mill after they exit the casting unit but before they lose all their heat. The main feature and advantages of hot charging technique are:
- Energy saving;
  - Decreasing billet inventory / yard space;
  - Reducing production cycle time;
  - Billet surface quality defects prevention during the cooling process. Also, the
- management of the Company has been making continuous efforts to identify the areas of further improvements
- ii) The Company has been procuring energy from Indian Energy Exchange (IEX) as an alternative for procuring energy as and when required.
- iii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.
- iv) The Company has Install Solar Roof tops of 2,000 Kwph in the last financial year to meet its power consumption requirements in an efficient manner.

### (B) TECHNOLOGY ABSORPTION:

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

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

(Amount in ₹)

| Particulars               | FY 2023-24     | FY 2022-23 |
|---------------------------|----------------|------------|
| Foreign Exchange Earnings | 1,29,34,142.00 | 9,954.00   |
| Foreign Exchange Outgo    | -              | -          |

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

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

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

Date: August 09, 2024  
Place: Hyderabad

# BR\_Annexure-II

## FORM NO. AOC-2

### DETAILS OF RELATED PARTY TRANSACTIONS

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis: The following are the details of the transactions:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any   | Amount paid as advance, if any |
|---|---|---|--|--|--------------------------------|
| Mr. Rupesh Kumar Gupta                                  | Rent paid (Expenses)                            | NA  | Rent of ₹1,30,000/- Per Month.   | Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable.  | -                              |
| Mr. Sailesh Gupta                                       | Rent paid (Expenses)                            | NA  | Rent of ₹50,000/- Per Month  | Further the necessary approvals were granted by the Audit Committee from time to time.   | -                              |
| Ultra Pipes   | Sale of Goods                                   | NA  | ₹31,93,82,248/-  | The transactions taken with ultra pipe were approved by the Audit Committee.   | -                              |
| Ultra Pipes   | Purchase of Goods                               | NA  | ₹79,82,90,789/-  | Further as the value of Transactions exceeded 10% of the Turnover, the prior approval of members was also taken in its 16 <sup>th</sup> Annual General Meeting held on 22-09-2023. | -                              |

For and on behalf of the Board  
Hariom Pipe Industries Limited

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

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

Date: August 09, 2024  
Place: Hyderabad

# BR\_Annexure-III

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,  
The Members,  
M/s. HARIOM PIPE INDUSTRIES LIMITED  
L27100TG2007PLC054564  
3-4-174/12/2, 1st Floor, Samarpan,  
Lane Beside Spencer's, Pillar No. 125,  
Attapur, Hyderabad – 500048, Telangana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARIOM PIPE INDUSTRIES LIMITED** (CIN: L27100TG2007PLC054564) (hereinafter called "the Company"). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the

provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contract (Regulations) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - (Not applicable to the Company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021; (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period);
  - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2021 - (Not applicable to the Company during the audit period);
  - (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - (Not applicable to the Company during the audit period); and
  - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company. The lists of major head or groups of Acts, Rules, Laws and Regulations as applicable to the Company are given in **Annexure B**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review, the Company has complied with the provisions of the Acts, 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 in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, or at shorter notice duly consented by the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

**Ordinary Resolutions passed during FY 2023-24:**

1. Approval of Audited Financial Statements : (AGM dated 22/09/2023);
2. Rotation of Director. (Sunita Gupta) : (AGM dated 22/09/2023)
3. Ratification of the remuneration of Cost Auditors for the financial year ending March 31, 2024: (AGM dated 22/09/2023);
4. Approval of Material Related Party Transaction(s): (AGM dated 22/09/2023);

**Special Resolutions passed during FY 2023-24:**

1. Re-appointment and remuneration of Mr. Rupesh Kumar Gupta, Managing Director of the Company: (AGM dated 22/09/2023)
2. Re-appointment and remuneration of Mr. Sailesh Gupta, Whole Time Director of the Company: (AGM dated 22/09/2023)
3. Considered and approved the change in designation of Mr. Soumen Bose (DIN: 09608922) from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company: (Postal Ballot dated 05/02/2024)

**Others**

1. The Company on 06.04.2023 has allotted 2,750 Equity Shares and 7,500 Convertible Warrants; and
2. The Company on 03.01.2024 has allotted 12,46,747 Equity Shares pursuant to conversion of warrants issued on preferential basis.

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

**For VSSK & Associates,**  
Company Secretaries  
Unique Code: P2015TL044700

Sd/-  
**CS Vinod Sakaram,**  
Partner  
ACS: 23285, CP No.: 8345  
UDIN: A023285F000913724  
PR No.: 1456/2021

Place: Hyderabad  
Date: 06-08-2024

## Annexure A

To,  
The Members

### **HARIOM PIPE INDUSTRIES LIMITED**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 06-08-2024

**For VSSK & Associates,**  
Company Secretaries  
Unique Code: P2015TL044700

Sd/-  
**CS Vinod Sakaram,**  
Partner  
ACS: 23285, CP No.: 8345  
UDIN: A023285F000913724  
PR No.: 1456/2021

## Annexure B

### (I) LABOUR AND WORKPLACE RELATED LAWS:

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

17. The Industrial Disputes Act, 1947.

### (II) ECONOMIC & MISC. LAWS:

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

### (III) REVENUE LAWS:

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

### (IV) ENVIRONMENTAL LAWS:

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

**For VSSK & Associates,**  
Company Secretaries  
Unique Code: P2015TL044700

Sd/-  
**CS Vinod Sakaram,**  
Partner  
ACS: 23285, CP No.: 8345  
UDIN: A023285F000913724  
PR No.: 1456/2021

Place: Hyderabad  
Date: 06-08-2024



# BR\_Annexure-IV

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

(Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)

### 1) Brief outline on the Corporate Social Responsibility (CSR) Policy of the Company:

In accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, Hariom Pipe Industries Limited ("the Company or HPIL") has formulated its CSR Policy duly approved by the Board of Directors of the Company. CSR is essentially a way of conducting business responsibly and HPIL shall endeavour to conduct its business operations and activities in a socially responsible and sustainable manner at all times. HPIL will strive to contribute to inclusive growth and sustainable development with emphasis on development of weaker sections of society.

The Company's Social Responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.

The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013.

### 2) Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises of one Non-Executive Independent Director and two Executive Directors as at the end of fiscal year 2024:

| Sl. No. | Name of Members     | Designation / Nature of Directorship       | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------|--|--|--|
| 1       | Rupesh Kumar Gupta  | Chairman, Executive Director               | 1  | 1  |
| 2       | Sailesh Gupta       | Member, Executive Director                 | 1  | 1  |
| 3       | Pramod Kumar Kapoor | Member, Non-Executive Independent Director | 1  | 1  |

### 3) Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

The web-links are as follows:

The composition of the CSR Committee: <https://www.hariompipes.com/pdf/Composition-of-Various-Committees.pdf>

CSR Policy: <https://www.hariompipes.com/pdf/policies/CSR-Policy.pdf>

CSR Projects: Not Applicable

### 4) Provide the executive summary along with web-link (s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

|    |     |  |   |                 |
|----|-----|--|---|-----------------|
| 5) | (a) | Average Net Profit of the Company as per Section 135 (5) of the Act.                               | : | ₹42,18,86,353/- |
|    | (b) | Two per cent of the Average Net Profit of the Company as per Section 135 (5) of the Act.           | : | ₹84,37,727/-    |
|    | (c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial year | : | NA              |
|    | (d) | Amount required to be set-off for the financial year, if any.                                      | : | NA              |
|    | (e) | Total CSR obligation for the financial year [(b)+(c)-(d)]  | : | ₹84,37,727/-    |

|        |  |                  |
|--------|--|------------------|
| 6) (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | : ₹87,20,504/-   |
| (b)    | Amount spent in Administrative Overheads.  | : Not Applicable |
| (c)    | Amount spent on Impact Assessment, if applicable.                                  | : Not Applicable |
| (d)    | Total amount spent for the Financial Year [(a)+(b) +(c)]                           | : ₹87,20,504/-   |
| (e)    | CSR amount spent or unspent for the Financial Year                                 | :                |

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹)   |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per Section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) |        |                  |
|  | Amount  | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| ₹87,20,504                                       |   |                  | NA  |        |                  |

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

| S. No | Particular  | Amount (in ₹) |
|-------|---|---------------|
| (i)   | Two percent of average net profit of the Company as per Section 135(5)                                      | 84,37,727/-   |
| (ii)  | Total amount spent for the Financial Year   | 87,20,504/-   |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)]   | 2,82,777/-    |
| (iv)  | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any. | NIL           |
| (v)   | Amount available for set off in succeeding Financial Year [(iii)-(iv)]                                      | 2,82,777/-    |

7) Details of Unspent CSR amount for the preceding three Financial Years: **Not Applicable.**

| 1       | 2                           | 3   | 4   | 5   | 6   |                  | 7   | 8                  |
|---------|-----------------------------|---|---|---|---|------------------|---|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (6) of Section 135 (in ₹) |                  | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|         |                             |   |   |   | Amount (in ₹)   | Date of Transfer |   |                    |
|         |                             |   |   |   |   |                  |   | NIL                |

- 8) Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: **No**
- 9) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable.**

**Responsibility Statement:** The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objective and policy of the Company.

For HARIOM PIPE INDUSTRIES LIMITED

Sd/-

**Rupesh Kumar Gupta**

Chairman CSR Committee

DIN: 00540787

Sd/-

**Pramod Kumar Kapoor**

Director

DIN: 03557358

Place: Hyderabad

Date: August 09, 2024

# BR\_Annexure-V

## REPORT ON MANAGERIAL REMUNERATION

[Pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### 1. The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the financial year 2023-24;

| Sl. No.                                   | Name of Director(s)/ KMP(s) | Designation                              | Ratio of Remuneration of each Director to median remuneration of employees | Percentage increase/ (decrease) in the remuneration in the financial year 2023-24 (%) |
|---|-----------------------------|--|--|---|
| <b>I Executive Director(s)</b>            |                             |  |  |   |
| 1   | Mr. Rupesh Kumar Gupta      | Managing Director                        | 187.84   | 89.51   |
| 2   | Mr. Sailesh Gupta           | Whole-time Director                      | 168.01   | 111.88  |
| <b>II Non-Executive Director(s)</b>       |                             |  |  |   |
| 1   | Mr. Pramod Kumar Kapoor     | Chairman & Independent Director          | 0.88   | (33.33)   |
| 2   | Mr. G Rajender Reddy        | Independent Director                     | 1.18   | (28.93)   |
| 3   | Mrs. Sneha Sankla           | Independent Director                     | 0.72   | 116.67  |
| 4   | Mr. Soumen Bose*            | Non-Executive & Non-Independent Director | 5.26   | 446.20  |
| 5   | Mrs. Sunita Gupta           | Non-Executive & Non-Independent Director | 0.30   | (38.89)   |
| <b>III Key Managerial Personnel (KMP)</b> |                             |  |  |   |
| 1   | Amitabha Bhattacharya       | Chief Financial Officer                  | -  | 19.84   |
| 2   | Rekha Singh                 | Company Secretary & Compliance Officer   | -  | -   |

\* The designation of Mr. Soumen Bose has changed from Non-Executive Independent Director to Non-Executive Director of the Company w.e.f., 03.01.2024.

### (ii) The percentage increase in the median remuneration of employees in the financial year:

The Median remuneration of employees of the Company as at the end of the year under review was Rs. 1,81,597/- and the percentage increased/(decrease) in the median remuneration of the employees in the financial year ending March 31, 2024 was (0.42%).

### (iii) The number of permanent employees on the rolls of Company:

There were 458 permanent employees as on March 31, 2024.

### (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of the employees other than KMP's is 113% as compared to FY 2022-23. Whereas there is an aggregate Increase of 93% in the remuneration of KMPs in FY 2023-24 as compared to previous year. The increase in remuneration of the KMPs was based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.



**(v) Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration paid in the FY 2023-24 is as per the Nomination and Remuneration Policy of the Company for Directors, Key Managerial Personnel and Senior Management.

**(vi) Statement of particulars of employees pursuant to the provision of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:**

a) Particulars of top 10 employees in terms of remuneration drawn during the year;

| S. No. | Name of Employees     | Age      | Designation                   | Remuneration received (Amount in ₹) | Nature of employment, whether contractual or otherwise | Qualification & Experience  | Date of commencement of employment | Last employment held before joining the Company | % of equity shares held by the employee in the Company | Whether the employee is a relative of any director or manager of the Company |
|--------|-----------------------|----------|-------------------------------|-------------------------------------|--|---|------------------------------------|---|--|--|
| 1      | Rupesh Kumar Gupta    | 48 years | Managing Director             | 3,41,10,969                         | P  | Undergraduate with more than 2 decades of experience in Steel Industry.   | 21-06-2007 (Incorporation)         | --  | 14.53  | Yes  |
| 2      | Sailesh Gupta         | 43 years | Whole-time Director           | 3,05,10,969                         | P  | B. Com Graduate with more than a decade of experience in marketing.   | 09-01-2010                         | --  | 10.17  | Yes  |
| 3      | Rakesh Kumar Gupta    | 70 years | Technology Advisor            | 48,00,000                           | P  | Undergraduate with more than 4 decades of experience in Steel Industry.   |                                    | --  | 5.68   | Yes  |
| 4      | Amitabha Bhattacharya | 48 years | Chief Financial Officer (CFO) | 42,88,400                           | P  | B. Com, Msc and more than 20 years of experience in Diverse Industries.   | 01-07-2007                         | Hariom Metal Tubes Private Limited              | 0.18   | No   |
| 5      | Ramesh K              | 49 years | General Manager               | 40,43,546                           | P  | Diploma in Electrical with more than 23 years of experience   | 01-01-2023                         | R P Metal Solution Private Limited              | 0.01   | No   |
| 6      | Deepak Kumar          | 44 years | Plant Head                    | 39,42,500                           | P  | Graduate with more than 24 years of experience.   | 01-01-2023                         | R P Metal Solution Private Limited              | 0.02   | No   |
| 7      | Gangadharan Sathyan   | 57 years | General Manager               | 37,42,200                           | P  | Diploma in Electrical Engineering & MBA in Operation Management.  | 20-03-2023                         | Minaksi Aluminium Co. Ltd                       | --   | No   |
| 8      | Paul Gupta            | 45 years | Human Resource Officer        | 36,00,000                           | P  | Graduate with more than 8 years of experience in Steel Industry.  | 01-10-2014                         | --  | 3.14   | Yes  |
| 9      | Isha Gupta            | 40 years | Brand Manager                 | 36,00,000                           | P  | Undergraduate with more than 8 years of experience in Steel Industry  | 01-10-2014                         | --  | 2.23   | Yes  |
| 10     | Ansh Golas            | 24 years | Operations Head               | 23,78,400                           | P  | Graduated with a Bachelor of Business Administration (BBA), with over 3 years of professional experience at Hariom. | 01-07-2020                         | --  | 0.51   | Yes  |

**Note:**

The Non-Executive Directors and Independent Directors of the Company are entitled for sitting fee as per the statutory provisions and the details of the same are provided in the Corporate Governance Report.

For and on behalf of the Board  
For HARIOM PIPE INDUSTRIES LIMITED

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

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

Date: August 09, 2024  
Place: Hyderabad

# CORPORATE GOVERNANCE REPORT

The Corporate Governance Report of Hariom Pipe Industries Limited (“the Company”/“HPIL”) for the Financial Year (“FY”) 2023-24, which forms part of Boards’ Report, has been prepared in compliance with the principles of Corporate Governance norms as prescribed under Regulation 34 read with Chapter IV and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). This report provides a comprehensive overview of the corporate governance systems and processes at HPIL.

## 1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company firmly believes that effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large. The Board of Directors believes in ethical values and high moral standards in achieving the highest standards of corporate governance. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

## 2. BOARD OF DIRECTORS:

### (a) Composition of the Board:

The composition of the Board is in conformity with the provisions of Regulation 17 of SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (“the Act”), as amended from time to time.

The Company’s Board consists of Seven (7) Directors as on March 31, 2024. Out of Seven (7) Directors, two (2) Directors are Executive Directors, three (3) Directors are Non-Executive Independent Directors including one (1) Women Director and two (2) Directors are Non-Executive Directors including one (1) Women Director. The Chairman of the Board is a Non-Executive Independent Director. This composition represents an optimal balance of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of other directorships and committee memberships held by them as required under Regulation 17 of the Listing Regulations, as at March 31, 2024 are given hereunder:

| Name of Directors      | Category  | No. of Board Meetings held during the Year 2023-24 |          | Attendance at the last AGM held on 22 <sup>nd</sup> September, 2023 | No. of Directorships held in other Companies** | No. of Committee positions held |        | Directorship in other Listed Entity and Category of Directorship |
|------------------------|---|--|----------|---|--|---------------------------------|--------|--|
|                        |   | Held   | Attended |   |  | Chairman                        | Member |  |
| Pramod Kumar Kapoor    | Chairman, Non-Executive Independent Director          | 5  | 4        | Yes   | -  | 1                               | 1      | -  |
| Rupesh Kumar Gupta     | Promoter Executive Director                           | 5  | 5        | Yes   | -  | -                               | -      | -  |
| Sailesh Gupta          | Promoter Executive Director                           | 5  | 4        | Yes   | -  | -                               | -      | -  |
| Sunita Gupta           | Promoter Group Non-Executive Non-Independent Director | 5  | 2        | No  | -  | -                               | -      | -  |
| Soumen Bose*           | Non-Executive Non-Independent Director                | 5  | 5        | Yes   | -  | -                               | 2      | -  |
| Rajender Reddy Gankidi | Non-Executive Independent Director                    | 5  | 5        | Yes   | -  | 1                               | 1      | -  |
| Sneha Sankla           | Non-Executive Independent Director                    | 5  | 5        | Yes   | -  | -                               | 2      | -  |

**Notes:**

- \*Change in designation of Mr. Soumen Bose (DIN: 09608922) from Non-Executive – Independent Director to Non-Executive Director of the Company vide circular resolution dated 03.01.2024 passed by Board of Directors.*
- \*\*Number of Directorships held in other Companies includes only Public Companies. However, it does not include Directorships in Foreign Companies, Private Limited Companies and those Companies Registered under Section 8 of the Act.*
- \*\*Memberships/Chairmanships of committee include Audit Committee and Stakeholders Relationship Committee of listed entities.*

The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the Listing Regulations. None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the Companies in which he/she is a Director. Necessary disclosures regarding committee positions in other Public Companies as at March 31, 2024 has been made by the Directors.

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

**(b) Number of meetings of the Board of Directors held and dates thereon:**

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. The Board of Directors met five times during the year under review i.e., on May 30, 2023; August 10, 2023; October 10, 2023; November 10, 2023 and February 09, 2024. The requisite quorum was present for all the Meetings.

**(c) Disclosure of relationships between Directors:**

Mrs. Sunita Gupta, Non- Executive Director of the Company is the mother of Mr. Rupesh Kumar Gupta, Managing Director and Mr. Sailesh Gupta, Whole-time Director of the Company.

Mr. Rupesh Kumar Gupta, Managing Director and Mr. Sailesh Gupta, Whole-time Director are brothers.

Except as mentioned above, none of the Directors are related to each other.



**(d) Number of shares and convertible instruments held by Non- Executive Directors as on March 31, 2024:**

| S. No | Name of the Director   | Category  | No. of Equity Shares held | No. of Convertible Warrants held |
|-------|------------------------|---|---------------------------|----------------------------------|
| 1.    | Pramod Kumar Kapoor    | Chairman and Non-Executive Independent Director | NIL                       | NIL                              |
| 2.    | Rajender Reddy Gankidi | Non-Executive Independent Director              | NIL                       | NIL                              |
| 3.    | Soumen Bose            | Non-Executive Director                          | NIL                       | NIL                              |
| 4.    | Sneha Sankla           | Non-Executive Independent Director              | 5,000                     | NIL                              |
| 5.    | Sunita Gupta           | Non-Executive Director                          | 10,75,720                 | NIL                              |

**(e) Web-link where details of Familiarisation Programmes imparted to Independent Directors is disclosed:**  
<https://www.hariompipes.com/investor-relations-details-of-familiarization-programmes.php>**(f) Core skills / Expertise / Competencies of the Board of Directors:**

The Board comprises qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Strategy and Transformation
- Sales/ Marketing
- Finance
- Corporate Governance
- Leadership
- Legal/ Regulatory and Risk Management

The table below summarizes the skills, expertise and competencies possessed by the Board of Directors of the Company:

| Name of the Directors  | Skills/ Expertise/ Competencies |                  |                      |                      |            |                                       |
|------------------------|---------------------------------|------------------|----------------------|----------------------|------------|---------------------------------------|
|                        | Strategy & Transformation       | Sales/ Marketing | Finance & Accounting | Corporate Governance | Leadership | Legal/ Regulatory and Risk Management |
| Pramod Kumar Kapoor    | ✓                               | -                | ✓                    | ✓                    | ✓          | ✓                                     |
| Rupesh Kumar Gupta     | ✓                               | ✓                | ✓                    | ✓                    | ✓          | ✓                                     |
| Sailesh Gupta          | ✓                               | ✓                | -                    | ✓                    | ✓          | -                                     |
| Sunita Gupta           | ✓                               | -                | -                    | -                    | -          | ✓                                     |
| Rajender Reddy Gankidi | ✓                               | -                | ✓                    | ✓                    | ✓          | ✓                                     |
| Soumen Bose            | ✓                               | ✓                | ✓                    | ✓                    | ✓          | ✓                                     |
| Sneha Sankla           | ✓                               | -                | -                    | ✓                    | -          | ✓                                     |

**(g) Confirmation on Independent Directors:**

- In the opinion of the Board, all the Non-Executive Independent Directors of the Company fulfil the conditions as specified under SEBI Listing Regulations, 2015 and the Companies Act, 2013 and they are independent of the management.

- Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, they have confirmed their compliance with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, by registering their names in the Independent Directors' database maintained by the Indian Institute of Corporate Affairs.

**(h) Detailed reasons for the resignation of an Independent Director:**

No Independent Directors resigned during the last FY 2023-24.

**3. AUDIT COMMITTEE:**

The Audit Committee of the Company was constituted in line with the provisions as contemplated under Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Companies Act, 2013. The Audit Committee is entrusted with the responsibility of supervising internal controls, financial reporting process and ensures adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

**(a) Brief description of terms of reference:**

The terms of reference and the powers and role of the Audit Committee are set out in Section 177(4) of the Act and Regulation 18(3) of the SEBI Listing Regulations. Matters deliberated upon and reviewed by the Committee include:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of statutory and internal auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, focusing primarily on:
  - i. matters required to be included in the Directors Responsibility Statement included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- ii. changes, if any, in accounting policies and practices and reasons for the same;
- iii. major accounting entries involving estimates based on the exercise of judgment by management;
- iv. significant adjustments made in the financial statements arising out of audit findings, if any;
- v. compliance with listing and other legal requirements relating to financial statements;
- vi. disclosure of any related party transactions and;
- vii. modified opinion(s) in draft audit report, if any.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
  15. 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;
  16. Discussion with the 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;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the whistle blower mechanism;
  19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
  21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
  23. Reviewing the management discussion and analysis of financial condition and results of operations;
  24. Reviewing the management letters / letters of internal control weaknesses issued by the statutory auditors;
  25. Reviewing the internal audit reports relating to internal control weaknesses;
  26. Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
  27. Reviewing the statement of deviations:
    - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- In addition to the above, the Committee reviews the management discussion and analysis, statement of related party transactions, including granting omnibus approvals, internal audit reports relating to observations on internal control, etc.

**(b) Composition, name of members and Chairperson:**

As on March 31, 2024 the Company's Audit Committee comprises of three Non-Executive Independent Directors and one Non-Executive Director. The Chairman of the Audit Committee is Non-Executive Independent Director. The below table presents the composition, name of members and chairperson of the Audit Committee:

| S. No. | Name of the Director       | Designation of the Director | Position in the Committee |
|--------|----------------------------|-----------------------------|---------------------------|
| 1.     | Mr. Rajender Reddy Gankidi | Independent Director        | Chairman                  |
| 2.     | Mr. Pramod Kumar Kapoor    | Independent Director        | Member                    |
| 3.     | Mrs. Sneha Sankla*         | Independent Director        | Member                    |
| 4.     | Mr. Soumen Bose            | Non-Executive Director      | Member                    |

\*Mrs. Sneha Sankla was appointed as a member of the Audit Committee w.e.f. 03.01.2024

In pursuance, to Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, the members of the Audit Committee are financially literate and have related financial management expertise by virtue of their experience and background.



**(c) Meetings and attendance during the year:**

During the year 2023-24, the Audit Committee met four (4) times on May 29, 2023; August 10, 2023; November 09, 2023 and February 09, 2024. The necessary quorum was present for all the meetings. The Audit Committee invites such of the executives, as it considers appropriate, such as Statutory Auditors, Internal Auditors, and Chief Financial Officer to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

The attendance of the committee members at the meetings of the Audit Committee held during the year is given below:

| S. No | Name and Designation of Committee Members | Meetings held during the Year 2023-24 |            |            |            |
|-------|---|---------------------------------------|------------|------------|------------|
|       |   | 29-05-2023                            | 10-08-2023 | 09-11-2023 | 09-02-2024 |
| 1     | Mr. Rajender Reddy Gankidi – Chairman     | ✓                                     | ✓          | ✓          | ✓          |
| 2     | Mr. Pramod Kumar Kapoor – Member          | LOA                                   | ✓          | ✓          | ✓          |
| 3     | Mrs. Sneha Sankla* – Member               | -                                     | -          | -          | ✓          |
| 4     | Mr. Soumen Bose – Member                  | ✓                                     | ✓          | ✓          | ✓          |

✓ - Attended  
LOA - Leave of Absence

\*Mrs. Sneha Sankla was appointed as a member of the Audit Committee w.e.f. 03.01.2024

**4. NOMINATION AND REMUNERATION COMMITTEE:**

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

**(a) Brief description of terms of reference:**

The broad terms of reference and role of the Nomination and Remuneration Committee shall inter-alia include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of

performance of independent directors and the board of directors.

3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

**(b) Composition, name of members and Chairperson:**

As on March 31, 2024 the Company's Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors and one Non-Executive Director. The Chairman of the Nomination and Remuneration Committee is Non-Executive Independent Director. The below table presents the composition, name of members and chairperson of the Nomination and Remuneration Committee:

| S. No. | Name of the Director       | Designation of the Director | Position in the Committee |
|--------|----------------------------|-----------------------------|---------------------------|
| 1.     | Mr. Rajender Reddy Gankidi | Independent Director        | Chairman                  |
| 2.     | Mr. Pramod Kumar Kapoor    | Independent Director        | Member                    |
| 3.     | Mrs. Sneha Sankla*         | Independent Director        | Member                    |
| 4.     | Mr. Soumen Bose            | Non-Executive Director      | Member                    |

\*Mrs. Sneha Sankla was appointed as a member of the Nomination and Remuneration Committee w.e.f. 03.01.2024.

**(c) Meeting and attendance during the year:**

During the year 2023-24 the Nomination and Remuneration Committee met Three (3) times i.e., on May 29, 2023; August 10, 2023 and October 10, 2023. The necessary quorum was present for all the meetings. The Company Secretary acts as the secretary to the Nomination and Remuneration Committee. The attendance of the members of the Committee is given below:

| S. No | Name and Designation of Committee Members | Meetings held during the Year 2023-24 |            |            |
|-------|---|---------------------------------------|------------|------------|
|       |   | 29-05-2023                            | 10-08-2023 | 10-10-2023 |
| 1     | Mr. Rajender Reddy Gankidi – Chairman     | ✓                                     | ✓          | ✓          |
| 2     | Mr. Pramod Kumar Kapoor – Member          | LOA                                   | ✓          | ✓          |
| 3     | Mrs. Sneha Sankla* – Member               | -                                     | -          | -          |
| 4     | Mr. Soumen Bose – Member                  | ✓                                     | ✓          | ✓          |

✓ - Attended  
LOA - Leave of Absence

\*Mrs. Sneha Sankla was appointed as a member of the Nomination and Remuneration Committee w.e.f. 03.01.2024.

**(d) Performance evaluation criteria for Independent Directors:**

Pursuant to the provisions of the Companies Act and the SEBI Listing Regulations, the Company has put in place the criteria for annual evaluation of performance of Chairperson, Individual Directors (Independent & Non – Independent), Board Level Committees and the Board as a whole.

During the year under review, the Board evaluated the effectiveness of its functioning and that of Committees and of Individual Directors (Independent and Non – Independent) by seeking their inputs on various aspects of Board/Committee Governance. Performance evaluation was made on the basis of structured questionnaire considering the indicative criteria as prescribed by the Evaluation Policy of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated.

The Independent Directors of the Company are evaluated based on various criteria such as Qualifications, Experience, Knowledge and Competency, Fulfillment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution, Integrity, Independence and Independent views and judgement.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions as contemplated under Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

**(a) Name of the Non-Executive Director heading the committee:**

As on March 31, 2024 the Company's Stakeholders' Relationship Committee comprises of three Non-Executive Independent Directors and one Non-Executive Director. The Committee is headed by Mr. Pramod Kumar Kapoor, Non-Executive Independent Director of the Company. The Committee looks into transfer and transmission, issue of duplicate share certificates, consolidation and sub-division of shares and investors grievances. The committee oversees the performance of the Registrars and Shares Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The below table presents the composition, name of members and chairperson of the Stakeholders' Relationship Committee:

| S. No. | Name of the Director       | Designation of the Director | Position in the Committee |
|--------|----------------------------|-----------------------------|---------------------------|
| 1.     | Mr. Pramod Kumar Kapoor    | Independent Director        | Chairman                  |
| 2.     | Mr. Rajender Reddy Gankidi | Independent Director        | Member                    |
| 3.     | Mrs. Sneha Sankla*         | Independent Director        | Member                    |
| 4.     | Mr. Soumen Bose            | Non-Executive Director      | Member                    |

\*Mrs. Sneha Sankla was appointed as a member of the Stakeholders' Relationship Committee w.e.f. 03.01.2024.

**Terms of reference:** The broad terms of reference and role of the Stakeholders Relationship Committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**Meeting and attendance:** During the year 2023-24 the Stakeholders Relationship Committee met One (1) time i.e., on February 27, 2024. The necessary quorum was present for the meeting. The Company Secretary acts as the secretary to the Stakeholders Relationship Committee. The attendance of the members of the Committee is given below:

| S. No                  | Name and Designation of Committee Members | Meeting held during the Year 2023-24 |  |
|------------------------|---|--------------------------------------|--|
|                        |   | 27-02-2024                           |  |
| 1                      | Mr. Rajender Reddy Gankidi – Chairman     | ✓                                    |  |
| 2                      | Mr. Pramod Kumar Kapoor – Member          | ✓                                    |  |
| 3                      | Mrs. Sneha Sankla* – Member               | ✓                                    |  |
| 4                      | Mr. Soumen Bose – Member                  | LOA                                  |  |
| ✓ - Attended           |   |                                      |  |
| LOA - Leave of Absence |   |                                      |  |

\*Mrs. Sneha Sankla was appointed as a member of the Stakeholders' Relationship Committee w.e.f. 03.01.2024.

**(b) Name and designation of the Compliance Officer:**

The Board has designated Mrs. Rekha Singh, Company Secretary as the Compliance Officer of the Company w.e.f. October 10, 2023.

**(c) Number of shareholders' complaints received during the financial year:**

The total number of complaints received and redressed during the FY 2023-24 is as follow:

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 0               | 0                        | 0                        | 0               |

**(d) Number of complaints not solved to the satisfaction of shareholders:**

There was no pending complaint which was not solved to the satisfaction of shareholders as on March 31, 2024.

**(e) Number of pending complaints:**

There was no pending complaint as on March 31, 2024.

**5A. RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee of the Company is constituted in line with the provisions as contemplated under Regulation 21 of the SEBI Listing Regulations.

**(a) Brief description of terms of reference:**

The broad terms of reference and role of the Risk Management Committee shall inter-alia include the following:

- (1) To formulate a detailed risk management policy which shall include:



- (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
- (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

**(b) Composition, name of members and Chairperson:**

In compliance with the provisions of the Act, the Board of Directors constituted the Risk Management Committee at their meeting held on May 30, 2023. The Risk Management Committee comprises of three members consisting of one Non-Executive Independent Directors; one Non-Executive Director and one Executive Director. The Chairman of the Risk Management Committee is Non-Executive Director. The below table presents the composition, name of members and chairperson of the Risk Management Committee:

| S. No. | Name of the Director       | Designation of the Director | Position in the Committee |
|--------|----------------------------|-----------------------------|---------------------------|
| 1.     | Mr. Soumen Bose            | Non-Executive Director      | Chairman                  |
| 2.     | Mr. Rajender Reddy Gankidi | Independent Director        | Member                    |
| 3.     | Mr. Rupesh Kumar Gupta     | Managing Director           | Member                    |

**(c) Meeting and attendance during the year:**

During the year 2023-24 the Risk Management Committee met Two (2) times i.e., on November 25, 2023 and March 26, 2024. The necessary quorum was present for all the meetings. The Company Secretary acts as the secretary to the Risk Management Committee. The attendance of the members of the Committee is given below:

| S. No. | Name and Designation of Committee Members | Meetings held during the Year 2023-24 |            |
|--------|---|---------------------------------------|------------|
|        |   | 25-11-2023                            | 26-03-2024 |
| 1      | Mr. Soumen Bose – Chairman                | ✓                                     | ✓          |
| 2      | Mr. Rajender Reddy Gankidi – Member       | ✓                                     | ✓          |
| 3      | Mr. Rupesh Kumar Gupta – Member           | ✓                                     | ✓          |

✓ - Attended

LOA - Leave of Absence

## 5B. SENIOR MANAGEMENT:

**Particulars of Senior Management including the changes therein since the close of the previous financial year:**

As on March 31, 2024 the following persons forms part of Senior Management of the Company:

| S. No | Name                  | Designation                            |
|-------|-----------------------|--|
| 1.    | Rupesh Kumar Gupta    | Managing Director                      |
| 2.    | Sailesh Gupta         | Whole-time Director                    |
| 3.    | Amitabha Bhattacharya | Chief Financial Officer                |
| 4.    | Rekha Singh           | Company Secretary & Compliance officer |
| 5.    | Ashish Agarwal        | Marketing Head                         |

There are following change in the Senior Management of the Company since the close of the previous financial year:

- (1) Mr. Chirag Partani, Company Secretary and Compliance Officer of the Company resigned from his position effective from October 10, 2023.
- (2) Mrs. Rekha Singh was appointed as Company Secretary and Compliance Officer of the Company with effect from October 10, 2023.
- (3) Mr. Anand Kumar Joshi. D, GM-HR & Admin of the Company resigned from his position effective from November 30, 2023.

and discharges the roles as prescribed under Section 135 of the Act. The broad terms of reference of the CSR Committee shall inter-alia include the following:

- (1) Monitoring the Corporate Social Responsibility Policy;
- (2) Recommending and approving the amount of expenditure incurred on CSR activities to be undertaken by the Company as specified in Schedule VII of the Act;
- (3) Review the monitoring mechanism for ensuring implementation of activities proposed to be undertaken by the Company; and
- (4) Formulating and recommending to the Board, an annual action plan in pursuance of its CSR policy, which includes list of CSR programmes that are approved to be undertaken by the Company in conformity with Schedule VII of the Companies Act, 2013 and the Rules thereof, its manner of execution, the modalities of utilization of funds / implementation schedules for the same and details of need and impact assessment, if any, for the project undertaken by the Company.

## 5C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted as per the requirement of Section 135(1) of the Companies Act, 2013 which provides for the appointment of three or more Directors out of which at least one Director shall be an Independent Director.

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

The Committee oversees, inter-alia, Corporate Social Responsibility and other related matters as may be referred by the Board of Directors

### (b) Composition, name of members and Chairperson:

As on March 31, 2024, the Company's CSR Committee comprises of one Non-Executive Independent Director and two Executive Directors. The Chairman of the CSR Committee is Executive Director. The below table presents the composition, name of members and chairperson of the CSR Committee:

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

**(c) Meeting and attendance during the year:**

During the year 2023-24 the CSR Committee met One (1) time i.e., on March 22, 2024. The necessary quorum was present for the meeting. The Company Secretary acts as the secretary to the CSR Committee. The attendance of the members of the Committee is given below:

| S. No | Name and Designation of Committee Members | Meeting held during the Year 2023-24 |   |
|-------|---|--------------------------------------|---|
|       |   | 22-03-2024                           |   |
| 1     | Mr. Rupesh Kumar Gupta – Chairman         |                                      | ✓ |
| 2     | Mr. Sailesh Gupta – Member                |                                      | ✓ |
| 3     | Mr. Pramod Kumar Kapoor – Member          |                                      | ✓ |

✓ - Attended  
LOA - Leave of Absence

**6. REMUNERATION OF DIRECTORS:**

**(a)** All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

**Remuneration paid/payable to Non-Executive Directors:**

The details of remuneration paid / payable to the Non-Executive Directors for the financial year ended March 31, 2024 are by way of sitting fees and travel expenses incurred by the Independent Directors for attending the Board and/or Committee meetings, site visits, and other related activities. Sitting Fees and commission paid/payable to Non-Executive Directors for the financial year ended March 31, 2024 are as follows:

(Amount in ₹)

| Name                       | Designation          | Sitting Fees (₹) | Commission (₹) | Total (₹) |
|----------------------------|----------------------|------------------|----------------|-----------|
| Mr. Pramod Kumar Kapoor    | Independent Director | 1,60,000         | -              | 1,60,000  |
| Mr. Rajender Reddy Gankidi | Independent Director | 2,15,000         | -              | 2,15,000  |
| Mrs. Sneha Sankla          | Independent Director | 1,30,000         | -              | 1,30,000  |
| Mrs. Sunita Gupta          | Director             | 55,000           | -              | 55,000    |
| Mr. Soumen Bose*           | Director             | 1,60,000         | 7,95,850       | 9,55,850  |

\*Change in designation of Mr. Soumen Bose (DIN: 09608922) from Non-Executive – Independent Director to Non-Executive Director of the Company vide circular resolution dated 03.01.2024 passed by Board of Directors

The criteria of making payment to Non-Executive Directors are displayed on the website of the Company.

**Remuneration paid/payable to Executive Directors:**

The details of remuneration paid / payable to the Executive Directors for the financial year ended March 31, 2024 are in compliance with the Act and in line with the approvals of the Board and Members, subject to the limits prescribed under the Act and Company's Nomination and Remuneration Policy. The Executive Directors of the Company are not entitled to sitting fees:

(Amount in ₹)

| S. No. | Name               | Designation         | Salary      | Commission  | Bonus | Other benefits |
|--------|--------------------|---------------------|-------------|-------------|-------|----------------|
| 1.     | Rupesh Kumar Gupta | Managing Director   | 1,80,00,000 | 1,61,11,000 | -     | -              |
| 2.     | Sailesh Gupta      | Whole-time Director | 1,44,00,000 | 1,61,11,000 | -     | -              |

**Note:**

- The Executive Directors are paid/payable commission of 2.5 percent of the net profit.
- The Company does not have performance linked incentive plan for directors.
- No severance fee is paid/payable to any of the directors.



- All the directors are entitled to reimbursement of reasonable expenses incurred during the performance of their duty as a director.
- The Company has not granted any stock options to the Directors of the Company.

**Service Contract and Notice Period:**

Mr. Rupesh Kumar Gupta was appointed as a Managing Director of the Company for a period of three years from January 08, 2018 to January 07, 2021, with an annual remuneration of ₹14,40,000/- vide Shareholders resolution dated January 01, 2018. His remuneration was later revised to ₹60,00,000 Per Annum from April 01, 2018 for the remaining tenure as Managing Director vide shareholders resolution dated March 31, 2018.

Further he was reappointed for a period of three years from January 8, 2021, to January 7, 2024 with an annual remuneration of ₹1,80,00,000/- vide shareholders resolution dated December 30, 2020. Post that his remuneration was increased to ₹15,00,000 per month with a commission of 2.5% of net profit from October 1, 2022 for his remaining tenure as Managing Director vide shareholders resolution dated September 9, 2022.

He was further reappointed for a period of 3 (Three) years, effective from January 8, 2024, to January 7, 2027 at a remuneration of

₹15,00,000 per month with a commission of 2.5% of net profit vide shareholders resolution dated September 22, 2023.

Mr. Sailesh Gupta was appointed as a Whole time Director of the Company for a period of Three years from January 08, 2018 to January 07, 2021 with an annual remuneration of ₹14,40,000/-. His remuneration was revised to ₹60,00,000 Per Annum from April 01, 2018 for remaining tenure as Whole time Director vide shareholders resolution dated March 31, 2018.

Further he was reappointed for a period of three years from January 8, 2021, to January 7, 2024 with an annual remuneration of ₹1,44,00,000/- vide shareholders resolution dated December 30, 2020. Post that his remuneration was increased to ₹12,00,000 per month with a commission of 2.5% of net profit from October 1, 2022 for his remaining tenure as Whole-time Director vide Shareholders resolution dated September 9, 2022.

He was Further reappointed for a period of 3 (Three) years, effective from January 8, 2024, to January 7, 2027 at a remuneration of ₹12,00,000 per month with a commission of 2.5% of net profit vide shareholders resolution dated September 22, 2023.

The notice period for both as per companies' policy is three months.

**7. GENERAL BODY MEETINGS:**

**(a) Information of last three Annual General Meetings (AGM's) Held:**

| Year                            | Venue  | Day     | Date               | Time    |
|---------------------------------|--|---------|--------------------|---------|
| 16 <sup>th</sup> AGM<br>2022-23 | Deemed to be at Registered Office located at 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's, Pillar No. 125, Attapur, Hyderabad – 500048, Telangana., held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) | Friday  | September 22, 2023 | 11.30AM |
| 15 <sup>th</sup> AGM<br>2021-22 | Hotel Inner circle situated At Namita Road, Saboo Heights, 6-3-905, Raj Bhavan Rd, Matha Nagar, Somajiguda, Hyderabad, 500082- Telangana   | Friday  | September 09, 2022 | 10:30AM |
| 14 <sup>th</sup> AGM<br>2020-21 | Deemed to be at Registered Office located at 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's, Pillar No. 125, Attapur, Hyderabad – 500048, Telangana., held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) | Tuesday | September 14, 2021 | 11:00AM |

**(b) Details of the Special Resolutions passed in the Annual General Meetings held in the previous three years are given below:**

| S. No. | Details of AGM               | Date & Time                                   | Description of Special Resolution  |
|--------|------------------------------|---|--|
| 1.     | 16 <sup>th</sup> AGM 2022-23 | Friday, September 22, 2023 at 11.30 AM (IST)  | <ol style="list-style-type: none"> <li>Approval of appointment and remuneration of Mr. Rupesh Kumar Gupta, Managing Director of the Company.</li> <li>Approval of appointment and remuneration of Mr. Sailesh Gupta, Whole Time Director of the Company.</li> </ol>  |
| 2.     | 15 <sup>th</sup> AGM 2021-22 | Friday, September 09, 2022 at 10.30 AM (IST)  | <ol style="list-style-type: none"> <li>Appointment of Mr. Soumen Bose (DIN: 09608922) as an Independent Director of the Company.</li> <li>Re-appointment of Mr. Pramod Kumar Kapoor (DIN: 03557358) as Chairman &amp; Independent Director of the Company.</li> <li>Approval for increase in remuneration of Mr. Rupesh Kumar Gupta, Managing Director of the Company.</li> <li>Approval for increase in remuneration of Mr. Sailesh Gupta, Whole-time Director of the Company.</li> </ol> |
| 3.     | 14 <sup>th</sup> AGM 2020-21 | Tuesday, September 14, 2021 at 11.00 AM (IST) | <ol style="list-style-type: none"> <li>Issuance and allotment of equity shares to the public (Initial Public Offer).</li> </ol>  |

**(c) Details of the Special Resolutions passed last year through Postal Ballot – Details of Voting Pattern:**

The Company has sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated February 05, 2024 for:

- (1) Approval of change in designation of Mr. Soumen Bose (DIN: 09608922) from Non-Executive Independent Director to Non-Executive Non- Independent Director of the Company.**

The aforesaid resolutions as contained in the Notice of Postal Ballot dated 03.01.2024 was passed with requisite majority. Details of voting pattern for the above-mentioned resolution are as follows:

**Item No 1: Approval of Change in Designation of Mr. Soumen Bose (DIN: 09608922) from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company:**

| Particulars       | Number of Valid       |                      | Percentage (%)   |
|-------------------|-----------------------|----------------------|------------------|
|                   | Voters (via e-voting) | Votes (via e-voting) |                  |
| Assent            | 121                   | 12612151             | 99.9978%         |
| Dissent           | 12                    | 273                  | 0.0022%          |
| Invalid/Abstained | 0                     | 0                    | 0.0000%          |
| <b>Total</b>      | <b>133</b>            | <b>12612424</b>      | <b>100.0000%</b> |

**(2) Person who conducted the Postal Ballot exercise:**

Mr. Vinod Sakaram (Membership No. 23285), Partner of M/s. VSSK & Associates, Company Secretaries, was appointed as the Scrutinizer to scrutinize the Postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner and have issued their report for the same on February 06, 2024.

**(3) Whether any Special Resolution is proposed to be conducted through Postal Ballot:**

There is no immediate proposal for passing any special resolution through postal ballot.

#### **(4) Procedure for Postal Ballot:**

The postal ballot was carried out as per the provisions of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, respectively as amended from time to time issued by the Ministry of Corporate Affairs and SEBI Listing Regulations in this regard.

### **8. MEANS OF COMMUNICATION:**

Your Company follows various channels of communication with shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Company's performance and activities to safeguard shareholders' and other stakeholders interests.

#### **(a) Financial Results and newspapers wherein the results are published:**

The quarterly/half yearly/annual financial results, notices of General Meetings and all other material information are normally announced by the Company within the timeline prescribed under the SEBI Listing Regulations and are published by the Company in the leading newspapers like Business Line (English) all India Edition and Surya (Telugu) Hyderabad – Local. The financial results and the other important information to shareholders are placed at Company's website <https://www.hariompipes.com/investor-relations-results.php> and are disclosed to the stock exchanges where the shares of the Company are listed.

#### **(b) Media/Press Releases:**

All the official press release pertaining to Results and other announcements are submitted to the stock exchanges where the shares of the Company are listed and are also being uploaded on the website of the Company.

#### **(c) Company's Website:**

The Company has a dedicated "Investors" section on its website viz., <https://www.hariompipes.com/>,

wherein relevant member information such as Board Committee, Corporate Policy, Annual Report, Financial Results, Shareholding details etc. are accessible.

#### **(d) Annual Report:**

The Annual Report of the Company is circulated to the members and others entitled thereto. The Management Discussion and Analysis (MDA) Report, Corporate Governance Report and Business Responsibility and Sustainability Report (BRSR) forms part of the Annual Report.

#### **(e) Presentations made to institutional investors or to the analysts:**

The presentations made to the analysts and institutional investors, if any, were not communicated individually to the members. However, such presentations were hosted on the website of the Company at <https://www.hariompipes.com/> and were also submitted to Stock Exchanges where the shares of the Company are listed for further dissemination.

#### **(f) SCORES (SEBI Complaints Redressal System):**

SEBI has provided a centralized web-based complaints redressal system named, SCORES, enabling investors to lodge complaint(s) against a Company for any grievance. The Company is registered on SCORES Platform.

#### **(g) Green Initiative – Service of Documents in Electronic Form:**

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode. In accordance with circulars issued by the Ministry, Companies can now send various notices and documents including annual report, to its members through electronic mode to the registered email addresses of members. To support this green initiative of the Government in full measure the Company has adopted the practice of sending communications, including Annual Report, through email to those members whose email addresses are available as per registered records.

**9. GENERAL SHAREHOLDER INFORMATION:**

|   |   |
|---|---|
| a. Annual General Meeting - Date, Time and Venue  | Date: September 23, 2024<br>Time: 11:30 am IST<br>Venue: Meeting shall be conducted through VC/OAVM. The deemed venue shall be the Registered Office:<br>3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad - 400048   |
| b. Financial Year   | April 1 to March 31   |
| c. Dividend Payment Date  | Dividend, if declared at the ensuing Annual General Meeting (AGM) will be paid within 30 days from AGM.   |
| d. Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s) | <ol style="list-style-type: none"> <li><b>Name:</b> BSE Limited (BSE)<br/>Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</li> <li><b>Name:</b> National Stock Exchange of India Limited (NSE)<br/>Address: Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.</li> </ol> <p>The Company has paid its annual listing fees to the Stock Exchanges where the shares of the Company are listed for the FY 2023-24.</p> |
| e. Stock Code   | <b>NSE Symbol</b> – HARIOMPIPE<br><b>BSE Scrip Code</b> – 543517  |

**f. Market price data – High/Low price during each month in last financial year:**

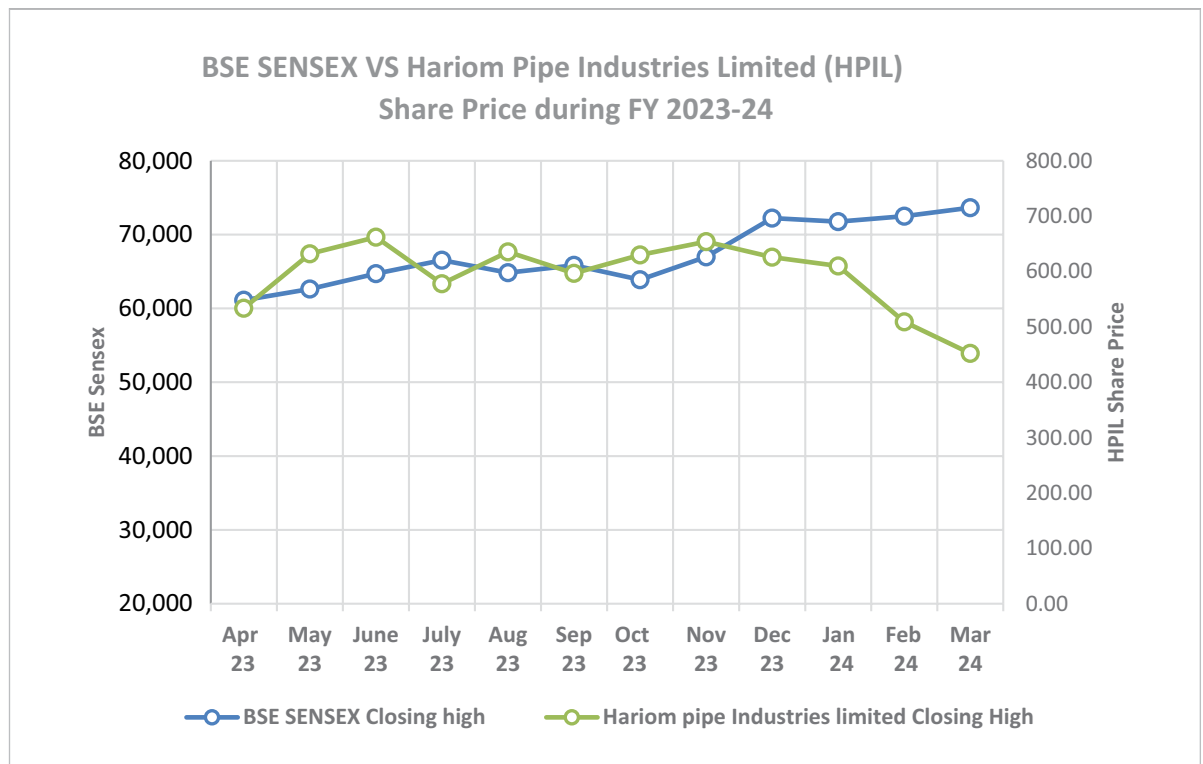
| Month  | BSE      |         | NSE      |         |
|--------|----------|---------|----------|---------|
|        | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr-23 | 548.50   | 463.55  | 548.95   | 463.35  |
| May-23 | 660.00   | 511.00  | 658.00   | 515.00  |
| Jun-23 | 694.55   | 615.50  | 694.95   | 622.40  |
| Jul-23 | 674.00   | 568.05  | 674.45   | 567.00  |
| Aug-23 | 643.00   | 541.05  | 644.00   | 537.60  |
| Sep-23 | 654.95   | 558.00  | 655.00   | 556.50  |
| Oct-23 | 666.00   | 550.00  | 666.30   | 581.20  |
| Nov-23 | 740.00   | 606.95  | 740.00   | 609.80  |
| Dec-23 | 701.50   | 607.20  | 700.00   | 607.00  |
| Jan-24 | 642.40   | 563.75  | 649.90   | 570.00  |
| Feb-24 | 623.05   | 505.50  | 620.00   | 505.00  |
| Mar-24 | 529.95   | 441.05  | 529.10   | 440.05  |



**g. Performance in comparison to broad-based indices such as BSE Sensex and Nifty:**

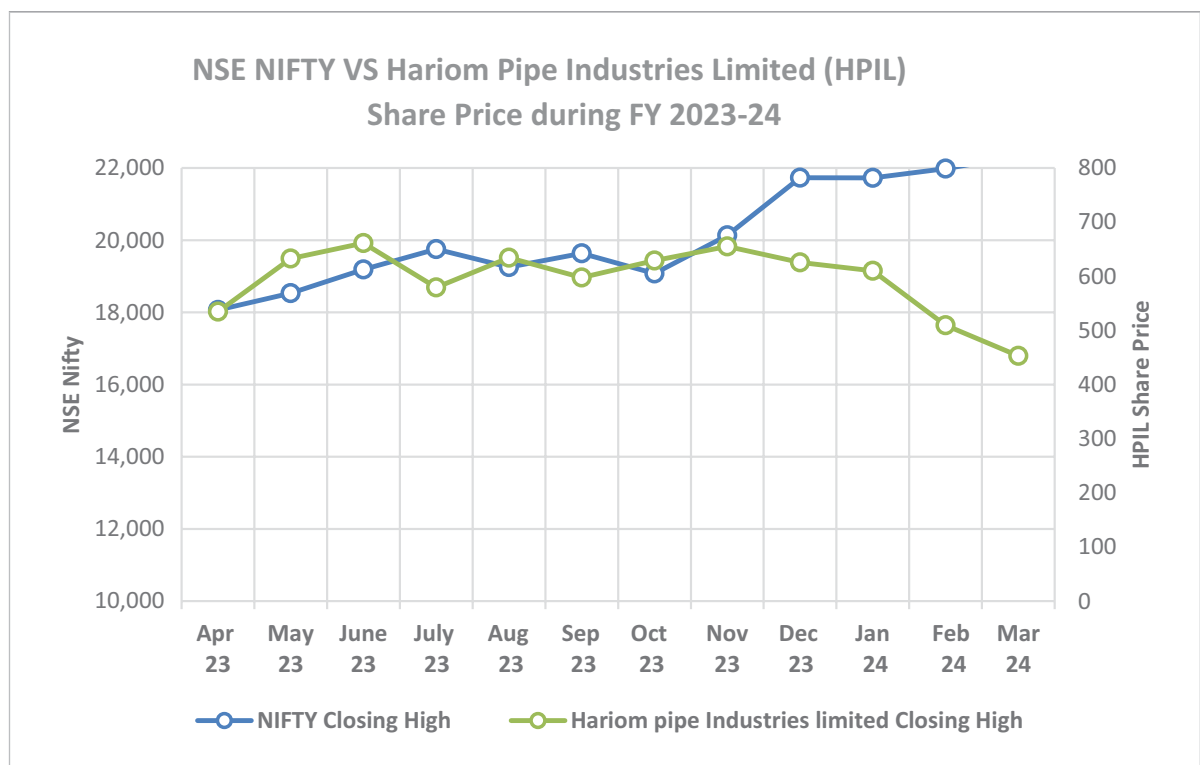
(1) Performance of share price of the Company in comparison to BSE Sensex:

| Month   | BSE SENSEX Closing Price (₹) | HPIL Closing Price at BSE (₹) |
|---------|------------------------------|-------------------------------|
| Apr-23  | 61,112.44                    | 533.75                        |
| May-23  | 62,622.24                    | 632.00                        |
| June-23 | 64,718.56                    | 662.05                        |
| July-23 | 66,527.67                    | 577.80                        |
| Aug-23  | 64,831.41                    | 635.50                        |
| Sep-23  | 65,828.41                    | 596.75                        |
| Oct-23  | 63,874.93                    | 629.85                        |
| Nov-23  | 66,988.44                    | 654.00                        |
| Dec-23  | 72,240.26                    | 626.00                        |
| Jan-24  | 71,752.11                    | 610.05                        |
| Feb-24  | 72,500.30                    | 509.15                        |
| Mar-24  | 73,651.35                    | 452.25                        |



(2) Performance of share price of the Company in comparison to Nifty 50:

| Month   | NIFTY Closing Price (₹) | HPIL Closing Price at NSE (₹) |
|---------|-------------------------|-------------------------------|
| Apr-23  | 18,065.00               | 534.60                        |
| May-23  | 18,534.40               | 632.95                        |
| June-23 | 19,189.05               | 661.35                        |
| July-23 | 19,753.80               | 579.30                        |
| Aug-23  | 19,253.80               | 634.25                        |
| Sep-23  | 19,638.30               | 597.60                        |
| Oct-23  | 19,079.60               | 629.05                        |
| Nov-23  | 20,133.15               | 655.25                        |
| Dec-23  | 21,731.40               | 625.55                        |
| Jan-24  | 21,725.70               | 610.10                        |
| Feb-24  | 21,982.80               | 509.70                        |
| Mar-24  | 22,326.90               | 453.20                        |



- h. In case the securities are suspended from trading if any: The Securities of the Company have not been suspended from trading at any time during the financial year ended March 31, 2024.
- i. Registrar to an issue and share transfer agents: M/s. Bigshare Services Private Limited  
Address: 306, Right Wing, 3<sup>rd</sup> Floor, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500082, Telangana, India.  
Tel: 040-4014 4967  
e-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com),  
Website: [www.bigshareservices.com](http://www.bigshareservices.com)

j. Share Transfer System

The share transfers are being dealt by the Company's Registrars and Transfer Agents (RTA), M/s. Bigshare Services Private Limited, registered with SEBI as a Category 1 registrar.

In terms of the amended Regulation 40(1) of Listing Regulations w.e.f. April 01, 2019, securities of the listed Companies shall be processed only in those cases where the shares are held in dematerialised form with the depository, in terms of guidelines issued by SEBI. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_ TAMB/P/CIR/2022/8 dated January 25, 2022, SEBI has mandated Listed Companies to issue securities in dematerialised form only while processing investor service request viz transmission, transposition, renewal, exchange, sub-division, consolidation and issue of duplicate certificates etc. the securities shall be issued in dematerialised form only. Accordingly, the shares held in physical form will not be transferred unless they are converted into dematerialised form.

k. (1) Distribution of shareholding as on March 31, 2024:

| Category<br>(1) | Share Holders |                   | Shares               |                   |
|-----------------|---------------|-------------------|----------------------|-------------------|
|                 | Number<br>(2) | % to Total<br>(3) | No. of Shares<br>(4) | % to Total<br>(5) |
| 1 - 5000        | 42,977        | 96.97             | 22,60,881            | 7.83              |
| 5001 - 10000    | 678           | 1.53              | 5,06,616             | 1.75              |
| 10001 - 20000   | 319           | 0.72              | 4,63,678             | 1.61              |
| 20001 - 30000   | 117           | 0.26              | 2,91,358             | 1.01              |
| 30001 - 40000   | 50            | 0.11              | 1,78,345             | 0.62              |
| 40001 - 50000   | 34            | 0.08              | 1,62,060             | 0.56              |
| 50001 - 100000  | 60            | 0.14              | 4,30,069             | 1.49              |
| 100001 - Above  | 85            | 0.19              | 2,45,72,119          | 85.13             |
| <b>TOTAL</b>    | <b>44,320</b> | <b>100.00</b>     | <b>2,88,65,126</b>   | <b>100.00</b>     |

(2) Shareholding Pattern of the Company as on March 31, 2024:

| Sr. No. | Shareholders Category                                 | Number of Shareholders | Percent of total Shareholders (%) | Number of Shares   | Percentage (%) |
|---------|---|------------------------|-----------------------------------|--------------------|----------------|
| 1       | Clearing Member                                       | 7                      | 0.02                              | 11,685             | 0.04           |
| 2       | Corporate Bodies                                      | 129                    | 0.29                              | 24,85,203          | 8.61           |
| 3       | Corporate Bodies<br>(Promoter Co)                     | 2                      | 0.00                              | 20,01,109          | 6.93           |
| 4       | Directors Relatives                                   | 13                     | 0.03                              | 53,58,188          | 18.56          |
| 5       | Foreign Portfolio Investor<br>(Corporate)- Category I | 8                      | 0.02                              | 18,79,624          | 6.51           |
| 6       | Non-Resident Indian                                   | 526                    | 1.19                              | 1,53,011           | 0.53           |
| 7       | Promoters   | 5                      | 0.01                              | 94,63,407          | 32.78          |
| 8       | Public  | 43,629                 | 98.44                             | 75,09,899          | 26.02          |
| 9       | Trust   | 1                      | 0.00                              | 3,000              | 0.01           |
|         | <b>Total</b>  | <b>44,320</b>          | <b>100.00</b>                     | <b>2,88,65,126</b> | <b>100.00</b>  |

- l. Dematerialization of shares and liquidity: 2,88,65,126 Equity Shares of ₹10/- each as on March 31, 2024 were in dematerialized form. Company has connectivity with both Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- The Company via preferential allotment allotted 2,750 Equity Shares on April 06, 2023. Further allotment of 12,46,747 Equity Shares on January 03, 2024 pursuant to conversion of warrants into Equity Shares.

- m. **Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity:**

During the FY 2022-23, the Board has allotted 33,48,125 and 7,500 Convertible Warrants at an issue price of ₹345 each on March 31, 2023 and April 06, 2023 respectively to certain promoter and public. The right to exercise warrant conversion was valid for a period of 18 months from the date of allotment of warrants.

During the year under review, the Company has proceeded with the exercise of conversion of 12,46,747 warrants into Equity Shares of ₹10/- each at an issue price of ₹345/- per share (including premium of ₹335/-) by the Board of Director via its Resolution passed by Circulation dated January 03, 2024.

The Shareholding Pattern at the end of the year and after conversion assuming full conversion of the outstanding convertible warrants is given below:

| Sr. No.      | Shareholders Category      | Shareholding as on March 31, 2024 |                   | Shareholding assuming full conversion of outstanding warrants |                   |
|--------------|----------------------------|-----------------------------------|-------------------|---|-------------------|
|              |                            | Shares held                       | % of total shares | Shares held   | % of total shares |
| 1            | Promoters & Promoter Group | 1,68,22,704                       | 58.28             | 1,76,97,704   | 57.13             |
| 2            | Public                     | 1,20,42,422                       | 41.72             | 1,32,76,300   | 42.86             |
| <b>Total</b> |                            | <b>2,88,65,126</b>                | <b>100.00</b>     | <b>3,09,74,004</b>  | <b>100.00</b>     |

- n. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable to the Company

- o. Plant locations:

**UNIT-I**

Survey. No.58/62/63 situated at Sheriguda Village, Peddaiahpally, Balanagar Mandal, Mahabubnagar District - 509202, Telangana, India.

**UNIT-II**

Survey No. 98, D. Hirehal Village and Mandal, Anantapur District - 515872, Andhra Pradesh, India.

**UNIT- III**

Plot No. B-15 TO B-28, Sipcot Industrial Area, Sipcot Indl. Growth Centre, Perundurai, Perundurai Taluk , Erode District - 638052, Tamilnadu, India.



p. **Address for correspondence:**

| S. No. | Shareholders Correspondence for  | Address to  |
|--------|--|---|
| 1.     | Transfer/Dematerialization/ consolidation/ split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company. | M/s. Bigshare Services Private Limited<br>Registrar and Share Transfer Agent.<br>Address: 306, Right Wing, 3 <sup>rd</sup> Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500082, Telangana, India.<br>Tel: 040-40144582<br>Email: <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a> |
| 2.     | Investor Correspondence/queries on Corporate Governance and other secretarial matters.   | COMPANY SECRETARY<br>M/s. Hariom Pipe Industries Limited.<br>Address: 3-4-174/12/2, 1st Floor, Samarpan, Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad – 500 048 Telangana, India.<br>Tel: 040-24016101<br>Email: <a href="mailto:cs@hariompipes.com">cs@hariompipes.com</a>   |

q. **Credit Rating:**

During the financial year ended March 31, 2024, the Company obtained credit ratings from CRISIL Ratings Limited for its bank loan facilities, details of which are given below:

| S. No. | Instrument Type       | Previous Rating               | Current Rating   | Rating Agencies        |
|--------|-----------------------|-------------------------------|------------------|------------------------|
| 1.     | Long Term Borrowings  | CRISIL A-/Stable (Reaffirmed) | CRISIL A-/Stable | CRISIL Ratings Limited |
| 2.     | Short Term Borrowings | CRISIL A2+ (Reaffirmed)       | CRISIL A2+       | CRISIL Ratings Limited |

**10. OTHER DISCLOSURES:**

**(a) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large;**

During the FY 2023-24, all the Related Party Transactions entered into by the Company were in the ordinary course of business and at arm's length basis and were approved by the members of Audit Committee, comprising majority of Independent Directors.

The Company does not have any materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large. The Company complies with the disclosure requirements as prescribed in Regulation 23 of Listing Regulations pertaining to Related Party Transactions ("RPT"). Details of RPT's are informed to the Board on a quarterly basis along with financial results.

Further, the Company at the Annual General Meeting held on September 22, 2023, has obtained members approval to enter into Material Related Party Transaction(s) with M/s. Ultra Pipes, a Partnership Firm. This approval pertains to the sale, purchase or supply of any goods or material up to an amount of ₹150 crores.

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transaction. The policy on the Related Party Transactions is hosted on the Company's website [www.hariompipes.com](http://www.hariompipes.com). The details of the Related Party Transactions are disclosed in the financial section of this Annual Report.

**(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

During the last three years, the Company has not encountered any non-compliances, penalties, or strictures from the Stock Exchanges, SEBI, or any statutory authority regarding capital market matters.

**(c) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:**

In accordance with Regulation 22 of the Listing Regulations and Section 177(10) of the Act, the Company has established a Whistle Blower Policy. This policy provides a Vigil mechanism for stakeholders, including Directors and employees, to report unethical behavior,

fraud, and violations of the Company's Code of Conduct. The Whistle Blower Policy can be accessed on the Company's website at <https://www.hariompipes.com/pdf/policies/whistle-blower-policy.pdf>. No personnel have been denied access to the Audit Committee.

**(d) Compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements prescribed under Listing Regulations for the financial year ending March 31, 2024. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations is given in point no. 12.

**(e) Web-link where policy for determining 'material' subsidiaries is disclosed:**

Not applicable to the Company as the Company does not have any subsidiaries; therefore, there is no policy for determining Material Subsidiaries

**(f) Web-link where policy for dealing with Related Party Transactions:**

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website at <https://www.hariompipes.com/investor-relations-policies-new.php>.

**(g) Disclosure of Commodity Price Risks and Commodity Hedging Activities:**

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations. We do not currently engage in any hedging activities against commodity price risk.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The Company at their Extra-ordinary General meeting held on February 20, 2023 has got the

**(k) Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:**

| S. No. | Particulars  | Number |
|--------|--|--------|
| 1.     | Number of Complaints received during the year                    | Nil    |
| 2.     | Number of Complaints disposed off during the year                | Nil    |
| 3.     | Number of Complaints pending as at the end of the Financial Year | Nil    |

members approval for the issuance of 21,44,000 Equity Shares and 3,371,000 Convertible Warrants of ₹10 each at an issued price of ₹345 per share. In-principle approval from BSE and NSE was received on March 24 and March 27, 2023, respectively, for the issuance and allotment of 21,43,500 Equity Shares and 33,69,500 Convertible Warrants. The Company allotted 21,39,425 Equity Shares and 33,48,125 Convertible Warrants on March 31, 2023 and trading approval for the same was received from both exchanges on May 22, 2023.

During the year under review, the Company has allotted 2,750 Equity Shares and 7,500 Convertible Warrants of ₹10 each at an issued price of ₹345 per share on April 06, 2023. Trading Approval for the same was received from both exchanges on June 05, 2023.

Further on January 03, 2024, the Company has allotted 12,46,747 Equity Shares pursuant to conversion of warrants issued on preferential basis. Trading approval was received from both exchanges on March 06, 2024. The funds raised from the preferential issue will be used to meet the Company's working capital requirements. During the period under review, there has been no deviation or variation in the utilization of the proceeds of the preferential issue.

**(i) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

During the FY 2023-24, the Board of Directors has accepted all the recommendations made by the committees of the Board.

**(j) Total fees for all services paid by the Listed Entity and its Subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the Network Firm/Network Entity of which the Statutory Auditors is a part.**

The total fees for all the Services paid by the Company to the Statutory Auditors for the FY 2023-24 are ₹19.60 Lakhs (Rupees Nineteen Lakhs Sixty Thousand only) as set out in financial Statements and forms part of this annual report.

**(l) Disclosure by Listed Entity and its Subsidiaries of 'Loans and Advances in the nature of Loans to Firms/Companies in which Directors are interested by name and amount:**

During the FY 2023-24, the Company did not provide any loans or advances to firms or companies in which directors have an interest.

**(m) Details of Material Subsidiaries of the Listed Entity; including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such subsidiaries:**

This is not applicable to the Company as it does not have any subsidiary companies.

**(n) Statutory Certificates:**

**(i) CEO/CFO Certificate:**

In terms of Regulation 17(8) of the Listing Regulations, the Certificate in the prescribed format duly signed by the Managing Director and CFO of the Company which has been reviewed by the Audit Committees, was placed before the Board of Directors along with the financial statements for the year ended March 31, 2024, at its meeting held on May 17, 2024. The same is annexed as "CG\_Annexure – A" which forms part of this Corporate Governance Report.

**(ii) Certificate from Secretarial Auditors on Corporate Governance:**

A Certificate from M/s. VSSK & Associates, Company Secretaries in practice, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations during the FY 2023-24 and the same is annexed as "CG\_Annexure – B" which forms part of this Corporate Governance Report.

**(iii) Certificate from Secretarial Auditors that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**

A Certificate from M/s. VSSK & Associates, Company Secretaries in practice, pursuant to Schedule V of the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such

statutory authority as on March 31, 2024, is annexed as "CG\_Annexure – C" which forms part of this Corporate Governance Report.

**(o) Dispute Resolution Mechanism at Stock Exchange (SMART ODR):**

SEBI vide its Circular dated May 30, 2022 provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per this Circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against the Company or its RTA on delay or default in processing any investor services related request. Link for the same is assessable at the website of the Company.

**11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) to (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED:**

There has been no non-compliance with any requirement of the Corporate Governance Report as stipulated from sub-paragraphs (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.

**12. CORPORATE GOVERNANCE REPORT SHALL ALSO DISCLOSE THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:**

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

(a) The Board: The Board periodically reviewed the compliance of all the applicable laws and steps taken by your Company to rectify instances of non-compliance, if any. Your Company is in compliance with all mandatory requirements of the Listing Regulations. Your Company has a Non-Executive Independent Chairman and hence, the need for implementing the non-mandatory requirement i.e. maintaining a Chairperson's office at the Company's expenses and allowing reimbursements of the Company's expenses incurred in performance of his duties, does not arise.

(b) Shareholders' Rights: Your Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the Shareholders. The Financial performances of the Company on quarterly basis including summary of the significant events are published in English and Local Telugu Newspaper and the quarterly results along with press release and investor presentations are posted on the website of the Company.

- (c) Modified opinion(s) in Audit Report: The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
- (d) Separate posts of Chairperson and Managing Director: The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director. The Chairman of the Company is a non-executive director and not a relative to Managing Director as per the definition of the term "relative" defined under the Companies Act, 2013.
- (e) Reporting of Internal Auditors: The Internal Auditors of the Company submits their report to the Audit Committee for review on quarter basis.

### 13. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46.

The Company is in compliance with the Corporate Governance requirements as specified under Regulation 17 to 27 read with clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, to the extent as applicable, Details of the same is provided in the table given below:

| S. No. | Particulars                           | Regulation        | Brief Description of Regulation  | Compliance Status (Yes / No/ NA) |
|--------|---------------------------------------|-------------------|--|----------------------------------|
| 1      | Board of Directors                    | 17 (1)            | Board Composition  | Yes                              |
|        |                                       | 17 (2)            | Meeting of Board of Directors  | Yes                              |
|        |                                       | 17 (3)            | Review of Compliance Reports   | Yes                              |
|        |                                       | 17 (4)            | Plans for orderly succession or appointments   | Yes                              |
|        |                                       | 17 (5)            | Code of Conduct  | Yes                              |
|        |                                       | 17 (6)            | Fees / Compensation  | Yes                              |
|        |                                       | 17 (7)            | Minimum Information to be placed before Board  | Yes                              |
|        |                                       | 17 (8)            | Compliance Certificate   | Yes                              |
|        |                                       | 17 (9)            | Risk Assessment & Management   | Yes                              |
|        |                                       | 17 (10)           | Performance evaluation   | Yes                              |
| 2      | Audit Committee                       | 18 (1)            | Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting | Yes                              |
|        |                                       | 18 (2)            | Meeting of Audit Committee   | Yes                              |
|        |                                       | 18 (3)            | Role of Committee and Review of information by the Committee   | Yes                              |
| 3      | Nomination and Remuneration Committee | 19 (1) & (2)      | Composition of Nomination & Remuneration Committee   | Yes                              |
|        |                                       | 19(3)             | Presence of the Chairman of the Committee at the Annual General Meeting                                  | Yes                              |
|        |                                       | 19(4)             | Role of the Committee  | Yes                              |
| 4      | Stakeholders Relationship Committee   | 20 (1), (2) & (3) | Composition of Stakeholders Relationship Committee   | Yes                              |
|        |                                       | 20 (4)            | Role of Committee  | Yes                              |
| 5      | Risk Management Committee             | 21 (1), (2) & (3) | Composition and role of Risk Management Committee  | Yes                              |
|        |                                       | 21(4)             | Role of the Committee  | Yes                              |
| 6      | Vigil Mechanism                       | 22                | Formulation of Vigil Mechanism for Directors and Employee  | Yes                              |



| S. No.   | Particulars   | Regulation                               | Brief Description of Regulation   | Compliance Status (Yes / No/ NA) |
|----------|---|--|---|----------------------------------|
| 7        | Related Party Transaction   | 23(1), (2), (3) (5), (6), (7), (8) & (9) | Policy for Related Party Transactions   | Yes                              |
|          |   | 23 (2) &(3)                              | Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of Transaction by the Committee | Yes                              |
|          |   | 23(4)                                    | Approval for material Related Party Transactions  | Yes                              |
| 8        | Subsidiaries of the Company   | 24(1)                                    | Composition of Board of Directors of unlisted material subsidiary   | NA                               |
|          |   | 24 (2), (3), (4), (5) & (6), 24(A)       | Other corporate Governance requirements with respect to subsidiary of listed entity   | NA                               |
| 9        | Obligations with respect to Independent Directors                       | 25 (1) & (2)                             | Maximum Directorship & Tenure   | Yes                              |
|          |   | 25 (3)                                   | Meeting of Independent Directors  | Yes                              |
|          |   | 25 (4)                                   | Review of Performance by the Independent Directors  | Yes                              |
|          |   | 25 (7)                                   | Familiarization of Independent Directors  | Yes                              |
|          |   | 25 (8)                                   | Declaration of Independence   | Yes                              |
| 10       | Obligations with respect to Directors and Senior Management             | 26 (1) & (2)                             | Memberships in committees   | Yes                              |
|          |   | 26 (3)                                   | Affirmations with compliance to Code of Conduct from members Board of Directors and Senior Management personnel                     | Yes                              |
|          |   | 26 (5)                                   | Policy with respect to Obligations of Directors and Senior Management   | Yes                              |
| 11       | Other Corporate Governance Requirements                                 | 27(1)                                    | Compliance of Discretionary Requirements  | Yes                              |
|          |   | 27(2)                                    | Filing of Quarterly Compliance Report on Corporate Governance   | Yes                              |
| 12       | Disclosures on Website of the Company                                   | 46(2)(b)                                 | Terms and conditions of appointment of Independent Directors  | Yes                              |
|          |   | 46(2)(c)                                 | Composition of various committees of Board of Directors   | Yes                              |
|          |   | 46(2)(d)                                 | Code of Conduct of Board of Directors and Senior Management Personnel   | Yes                              |
|          |   | 46(2)(e)                                 | Details of establishment of Vigil Mechanism/ Whistle Blower policy  | Yes                              |
|          |   | 46(2)(f)                                 | Criteria of making payments to Non-Executive Directors  | Yes                              |
|          |   | 46(2)(g)                                 | Policy on dealing with Related Party Transactions   | Yes                              |
|          |   | 46(2)(h)                                 | Policy for determining Material Subsidiaries  | NA                               |
| 46(2)(i) | Details of familiarization programmes imparted to Independent Directors | Yes                                      |   |                                  |

# CG\_Annexure-A

## COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)

(Pursuant to Regulation 17(8) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We, Mr. Rupesh Kumar Gupta, Managing Director (MD) and Mr. Amitabha Bhattacharya, Chief Financial Officer (CFO) of Hariom Pipe Industries Limited, hereby certify that:

- A. We have reviewed the Audited Financial Statements and the Cash Flow Statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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 financial year ended March 31, 2024 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 have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For HARIOM PIPE INDUSTRIES LIMITED

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

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

Place: Hyderabad  
Date: May 17, 2024

# CG\_Annexure-B

## CERTIFICATE BY THE PRACTICING COMPANY SECRETARIES ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by **Hariom Pipe Industries Limited** for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

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

**For VSSK & Associates,**  
Company Secretaries  
Unique Code: P2015TL044700

Sd/-  
**CS Vinod Sakaram**  
Partner

ACS: 23285, CP No. :8345  
UDIN: A023285F000913746  
PR No.: 1456/2021

Place: Hyderabad  
Date: 06-08-2024

# CG\_Annexure C

## 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  
**Hariom Pipe Industries Limited**

We, VSSK & Associates, Practicing Company Secretaries, have examined the relevant registers, records, books, forms, returns and disclosure received from the Directors of Hariom Pipe Industries Limited (CIN: L27100TG2007PLC054564) having its Registered Office at 3-4-174/12/2, 1st Floor, Samarpan, Lane beside Spencer's Pillar No. 125, Attapur Hyderabad - 500048 (hereinafter referred to as 'the Company'), produced before 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 and 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 examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2024:

| S. No | Name of the Director   | Designation                     | DIN      |
|-------|------------------------|---------------------------------|----------|
| 1.    | Pramod Kapoor Kumar    | Chairman & Independent Director | 03557358 |
| 2.    | Rupesh Kumar Gupta     | Managing Director               | 00540787 |
| 3.    | Sailesh Gupta          | Whole Time Director             | 00540862 |
| 4.    | Sunita Gupta           | Non-Executive Director          | 02981707 |
| 5.    | Sneha Sankla           | Independent Director            | 02849733 |
| 6.    | Rajender Reddy Gankidi | Independent Director            | 09165223 |
| 7.    | Soumen Bose            | Non-Executive Director          | 09608922 |

**For VSSK & Associates,**  
Company Secretaries  
Unique Code: P2015TL044700

Sd/-  
**CS Vinod Sakaram**  
Partner

ACS: 23285, CP. No.: 8345  
UDIN: A023285F000913735  
PR No.: 1456/2021

Place: Hyderabad  
Date: 06-08-2024



## DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that the Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics, as applicable to them for the financial year ended on March 31, 2024 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date: August 09, 2024  
Place: Hyderabad

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

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

## SECTION A GENERAL DISCLOSURES

### I. Details of the company

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number (CIN) of the Listed Entity   | L27100TG2007PLC054564  |
| 2  | Name of the Listed Entity  | HARIOM PIPE INDUSTRIES LIMITED   |
| 3  | Year of incorporation  | 2007   |
| 4  | Registered office address  | 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad TG 500048 INDIA                               |
| 5  | Corporate address  | 3-4-174/12/2, 1 <sup>st</sup> Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad TG 500048 INDIA                              |
| 6  | E-mail   | <a href="mailto:cs@hariompipes.com">cs@hariompipes.com</a>   |
| 7  | Telephone  | +91 040 - 24016101   |
| 8  | Website  | <a href="http://www.hariompipes.com">www.hariompipes.com</a>   |
| 9  | Financial year for which reporting is being done   | April 01, 2023 to March 31, 2024   |
| 10 | Name of the Stock Exchange(s) where shares are listed  | a) BSE Limited<br>b) National Stock Exchange of India Limited  |
| 11 | Paid-up Capital  | 28,86,51,260   |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report   | Mrs. Rekha Singh<br>Company Secretary<br>Hyderabad<br>Tel.: +91 040 - 24016101<br>E-mail: <a href="mailto:cs@hariompipes.com">cs@hariompipes.com</a> |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Disclosures made in this report are on a standalone basis and pertain only to Hariom Pipe Industries Limited   |
| 14 | Name of assurance provider party   | NOT APPLICABLE   |
| 15 | Type of assurance obtained   | NOT APPLICABLE   |

### II. Products/services

16 Details of business activities (accounting for 90% of the turnover):

| S No | Description of Main Activity | Description of Business Activity              | % of turnover of the entity |
|------|------------------------------|---|-----------------------------|
| 1    | Manufacturing                | Iron/Metal and Steel products and by-products | 100%                        |

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

| S No | Product /Service                    | NIC Code | % of the total turnover contributed |
|------|-------------------------------------|----------|-------------------------------------|
|      | Manufacture of basic iron and steel | 2410     | 100%                                |

### III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 4                | 1                 | 0     |
| International | 0                | 0                 | 0     |

19 Markets served by the entity:

a. Number of Locations

| Locations                        | Number                            |
|----------------------------------|-----------------------------------|
| National (No. of States)         | 18 States and 2 Union Territories |
| International (No. of Countries) | 0                                 |

b. What is the contribution of exports as a percentage of the total turnover of the entity ? 0

c. A brief on types of customers

We are a well-known manufacturer of pipes (mostly in mild steel (MS) and galvanized pipes (GP)) and one of India's leading producers of pipes and tubes. We service industries such as infrastructure, construction, agriculture, Commercial, engineering, fabrication, furniture and electrical.

### IV. Employees

20. Details at the end of Financial Year

a. Employees and workers (including differently abled):

| SI No.           | Particulars              | Total (A) | Male   |         | Female |        |
|------------------|--------------------------|-----------|--------|---------|--------|--------|
|                  |                          |           | No.(B) | %(B/A)  | No.(C) | %(C/A) |
| <b>Employees</b> |                          |           |        |         |        |        |
| 1                | Permanent (D)            | 458       | 444    | 96.94%  | 14     | 3.06%  |
| 2                | Other than Permanent (E) | 0         | 0      | 0       | 0      | 0.00%  |
| 3                | Total employees (D + E)  | 458       | 444    | 96.94%  | 14     | 3.06%  |
| <b>Workers</b>   |                          |           |        |         |        |        |
| 4                | Permanent(F)             | 0         | 0      | 0       | 0      | 0.00%  |
| 5                | Other than permanent (G) | 390       | 390    | 100.00% | 0      | 0.00%  |
| 6                | Total Employees (F+G)    | 390       | 390    | 100.00% | 0      | 0.00%  |

20.b Differently Abled Employees & Workers

| SI No.                             | Particulars             | Total (A) | Male   |        | Female |        |
|------------------------------------|-------------------------|-----------|--------|--------|--------|--------|
|                                    |                         |           | No.(B) | %(B/A) | No.(C) | %(C/A) |
| <b>Differently Abled Employees</b> |                         |           |        |        |        |        |
| 1                                  | Permanent(D)            | 0         | 0      | 0      | 0      | 0      |
| 2                                  | Other than permanent(E) | 0         | 0      | 0      | 0      | 0      |
| 3                                  | Total Employees(D+E)    | 0         | 0      | 0      | 0      | 0      |
| <b>Differently Abled Workers</b>   |                         |           |        |        |        |        |
| 4                                  | Permanent(F)            | 0         | 0      | 0      | 0      | 0      |
| 5                                  | Other than permanent(G) | 0         | 0      | 0      | 0      | 0      |
| 6                                  | Total Employees(F+G)    | 0         | 0      | 0      | 0      | 0      |

## 21. Participation/Inclusion/Representation of Women

| Particulars              | Total (A) | No. and percentage of Females |           |
|--------------------------|-----------|-------------------------------|-----------|
|                          |           | No. (B)                       | % (B / A) |
| Board of Directors       | 7         | 2                             | 28.57%    |
| Key Management Personnel | 4         | 1                             | 25.00%    |

## 22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

| Sl.No  | FY 2023-24 | FY 2022-23 | FY2021-22  |
|--|------------|------------|------------|
| <b>Permanent Employees &amp; Permanent Workers</b> |            |            |            |
| Male   | 53%        | 24%        | 45%        |
| Female   | 1%         | 0%         | 0%         |
| <b>Total</b>                                       | <b>54%</b> | <b>24%</b> | <b>45%</b> |

b. What is the contribution of exports as a percentage of the total turnover of the entity? NA

c. A brief on types of customers Not Applicable

**V. Holding, Subsidiary and Associate Companies (Including joint ventures)**

## 23. (a) Names of holding/subsidiary/associate companies/joint ventures

|   |   |   |
|---|---|---|
| a | Name of the holding / subsidiary / associate companies / joint ventures (A)   | 0 |
| b | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture  | 0 |
| c | % of shares held by listed entity   | 0 |
| d | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? |   |

**VI. CSR Details**

|      |   |                   |
|------|---|-------------------|
| 24.a | Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) | Yes               |
| b    | Turnover (in Rs.)   | 1,15,838.47 Lakhs |
| c    | Net worth (in Rs.)  | 46,411.75 Lakhs   |



## VII. Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | (If Yes, then provide web-link for grievance redress policy)  | FY 2023-24<br>(Current Financial Year)     |  |            | FY 2022-23<br>(Previous Financial Year)    |  |            |
|---|---|---|--|--|------------|--|--|------------|
|   |   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Re-remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Re-remarks |
| Communities                                       | YES   | <a href="https://www.hariompipes.com/investor-relations.php">https://www.hariompipes.com/investor-relations.php</a> | 0  | 0  | NA         | 0  | 0  | NA         |
| Investors (other than shareholders)               | YES   |   | 0  | 0  | NA         | 7  | 0  | NA         |
| Shareholders                                      | YES   |   | 0  | 0  | NA         | 0  | 0  | NA         |
| Employees and workers                             | YES   |   | 0  | 0  | NA         | 0  | 0  | NA         |
| Customers   | YES   |   | 0  | 0  | NA         | 0  | 0  | NA         |
| Value Chain Partners                              | YES   |   | 0  | 0  | NA         | 0  | 0  | NA         |
| Other (Please specify)                            | YES   |   | 0  | 0  | NA         | 0  | 0  | NA         |

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate Positive or negative implication) |
|---------|---------------------------|--|---|--|---|
| 1       | Supply Chain Resilience   | R  | Dependency on specific suppliers or disruptions in the supply chain can lead to production delays and resource shortages. | Hariom Pipe has implemented an integrated manufacturing approach, commencing from iron ore extraction and culminating in the production of MS Pipes and Scaffolding. This self-sustained process not only strengthens supply chain resilience by minimizing external dependencies but also ensures streamlined efficiency in terms of cost and time. | Positive  |

| Sl. No. | Material issue identified                  | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate Positive or negative implication) |
|---------|--|--|--|---|---|
| 2       | Ethical Governance and Public Transparency | O  | Ethical governance reduces legal and reputational risks, builds stakeholder trust, and enhances operational efficiency. Public transparency fosters investor confidence, ensures regulatory compliance, and strengthens stakeholder relationships, providing a competitive edge. Integrating these aspects enables holistic risk management and strategic opportunities, positioning companies for long-term success and resilience. |   | Positive  |
| 3       | Employee Retention and Talent Development  | O  | Maintaining skilled workforce and nurturing talent improves operational efficiency, innovation, and long-term success.   |   | Positive  |
| 4       | Social Responsibility                      | O  | Fostering positive relationships and goodwill within local and marginalized communities through dedicated community development efforts.   |   | Positive  |
| 5       | Climate change                             | R  | Carbon emissions contribute to climate change and may lead to regulatory penalties, supply chain disruptions, and reputational damage  | Adopting energy-efficient technologies, embracing cleaner production methods, and investing in carbon capture and storage initiatives are proactive steps towards a more sustainable and environmentally friendly future. | Positive  |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate Positive or negative implication) |
|---------|---------------------------|--|--|---|---|
| 6       | Economic Performance      | O  | Economic performance is a pivotal factor in determining the integrated steel plant's ability to invest, expand, and remain competitive in a challenging business landscape |   | Positive  |
| 7       | Regulatory Compliance     | R  | Non-compliance with environmental, safety, and labour regulations can lead to legal penalties, reputational damage, and operational disruptions.                           | Implementing effective compliance management systems, conducting regular audits, and actively engaging with regulatory authorities contribute to a robust and proactive approach to compliance. | Positive  |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Sr.No                                       | Disclosure Questions  | P-1  | P-2 | P-3 | P-4 | P-5 | P-6 | P-7 | P-8 | P-9 |
|---|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>      |   |  |     |     |     |     |     |     |     |     |
| 1   | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
|   | b. Has the policy been approved by the Board? (Yes/No)  | Company policies are given approval by the Board, depending on the type of policy and the related regulatory needs   |     |     |     |     |     |     |     |     |
|   | c. Web Link of the Policies, if available   | <a href="https://www.hariompipes.com/investor-relations-policies.php">https://www.hariompipes.com/investor-relations-policies.php</a>  |     |     |     |     |     |     |     |     |
| 2   | Whether the entity has translated the policy into procedures. (Yes / No)  | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3   | Do the enlisted policies extend to your value chain partners? (Yes/No)  | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4   | Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001: 2015.  |     |     |     |     |     |     |     |     |
| 5   | Specific commitments, goals and targets set by the entity with defined timelines, if any.   | Hariom Pipes is dedicated to environmentally-friendly manufacturing, actively working to minimize energy consumption, control emissions, manage waste efficiently, and boost production efficiency. We continually assess our progress to ensure we're making a positive impact on the environment.  |     |     |     |     |     |     |     |     |
| 6   | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met   | NA   |     |     |     |     |     |     |     |     |
| <b>Governance, leadership and oversight</b> |   |  |     |     |     |     |     |     |     |     |
| 7   | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)                                      | <p>Our business responsibility report highlights our integrated steel plant's robust dedication to sustainability. We have strategically designed our approach with clear short, medium, and long-term goals to effectively manage the environmental and social impacts of our operations.</p> <p>In the short and medium term, our focus is on optimizing resource use, reducing emissions, and enhancing community engagement, in line with evolving sustainability trends. We are proud of our accomplishments during this reporting period, including the successful implementation of advanced pollution control technologies, which have significantly reduced air and water pollutants. Our initiatives to optimize resource use have also led to notable energy savings and improved waste management practices.</p> |     |     |     |     |     |     |     |     |



|   |  |   |
|---|--|---|
|   |  | <p>While we celebrate these successes, we remain aware of the challenges ahead, particularly in achieving our ambitious emission reduction targets and further improving employee well-being. Nonetheless, we are unwavering in our commitment to innovation and positive change through sustainable practices and deeper community engagement.</p> <p>Our integrated steel plant's steadfast commitment to sustainability demonstrates our dedication to balancing business growth, environmental care, and social responsibility, all while striving for a more sustainable future.</p> |
| 8 | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).   | Mr. Rupesh Kumar Gupta (DIN 00540787), Managing Director, bears the responsibility for both implementing and overseeing the Business Responsibility policies.   |
| 9 | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Our company's management is actively and proactively overseeing a wide range of ESG initiatives. To strengthen and enhance our commitment, we are moving forward with the creation of a dedicated Sustainability Committee. This initiative highlights our dedication to advancing our ESG efforts and reinforces our focus on sustainability and ethical practices. Additionally, our Corporate Social Responsibility Committee is focused on key social factors, offering crucial insights and perspectives to our Board of Directors.  |

10. Details of Review of NGRBCs by the Company:

| Subject for Review   | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |
|--|--|--|
|  | P-1 to 9   | P-1 to 9   |
| Performance against above policies and follow up action  |  |  |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Review was undertaken by the Top Management as and when needed                                   | Assessed when needed.  |

11. Company Independent assesement

|   |            |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | <b>P-1</b> | <b>P-2</b> | <b>P-3</b> | <b>P-4</b> | <b>P-5</b> | <b>P-6</b> | <b>P-7</b> | <b>P-8</b> | <b>P-9</b> |
| No  |            |            |            |            |            |            |            |            |            |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions   | <b>P-1</b>                                 | <b>P-2</b> | <b>P-3</b> | <b>P-4</b> | <b>P-5</b> | <b>P-6</b> | <b>P-7</b> | <b>P-8</b> | <b>P-9</b> |
|---|--|------------|------------|------------|------------|------------|------------|------------|------------|
| The entity does not consider the Principles material to its business (Yes/No)   |  |            |            |            |            |            |            |            |            |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |  |            |            |            |            |            |            |            |            |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |  |            |            |            |            |            |            |            |            |
| It is planned to be done in the next financial year (Yes/No)  |  |            |            |            |            |            |            |            |            |
| Any other reason (please specify)   | All Principles are covered by the policies |            |            |            |            |            |            |            |            |

## SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURES

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment                           | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact  | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|--|
| Board of Directors                | 6  | The Board of Directors undergoes periodic reviews and is kept informed about industry-related issues, business matters, regulatory changes, economic trends, ESG (Environmental, Social, and Governance) factors, risk management, their roles and responsibilities, among other topics. These discussions provide insights into the relevant principles.        | 100%   |
| Key Managerial Personnel          | 8  | Topics related to integrity and ethics, core values, code of conduct, Corporate governance, Companies Act 2013, CSR, Sustainability practices and updates on regulatory mandates are covered, enabling KMPs to drive the company's values, purpose, and strategy in business.  | 100%   |
| Employees other than BoD and KMPs | 12   | Topics pertaining to adaptive leadership programmes, behavioral and ethical training, Trainings for emotional wellbeing and educating on POSH, Code of Business Conduct & Ethics, Human Rights Policy, Health & Well-being, Safety, Environmental Policies, Data Protection, Whistleblower Policy, Enterprise Risk Management Policy, and other Company Policies | 100%   |
| Workers                           | 12   | Topics covering behavioral and ethical training, emotional well-being education, safety management, human rights, and skill development.   | 100%   |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

#### Monetary

|                 | NGRBC Principle | Name of the regulatory/ enforcement agencies | Amount (In INR) | Brief of the Case | Has an appeal been preferred |
|-----------------|-----------------|--|-----------------|-------------------|------------------------------|
| Penalty/ Fine   |                 |  |                 |                   |                              |
| Settlement      |                 |  | NIL             |                   |                              |
| Compounding fee |                 |  |                 |                   |                              |

#### Non-Monetary

|              | NGRBC Principle | Name of the regulatory/ enforcement agencies | Brief of the Case | Has an appeal been preferred |
|--------------|-----------------|--|-------------------|------------------------------|
| Imprisonment |                 |  |                   |                              |
| Punishment   |                 |  | NIL               |                              |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

|   |     |
|---|-----|
| Case Details  | NIL |
| Name of the regulatory/ enforcement agencies/ judicial institutions |     |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, <https://www.hariompipes.com/investor-relations-policies.php>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

|                                      |     |
|--------------------------------------|-----|
| FY 2023-24 (Current Financial Year)  | NIL |
| FY 2022-23 (Previous Financial Year) |     |

6. Details of complaints with regard to conflict of interest:

|  |     |
|--|-----|
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | NIL |

7. Provide details of any corrective action taken or underway on issues related to fines /penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. NIL

8. Number of days of accounts payables: (₹ IN LAKHS)

|  | PY (2023-24) | PY (2022-23) |
|--|--------------|--------------|
| i) Accounts payable x 365 days           | 690143       | 595427       |
| ii) Cost of goods/services procured      | 103857       | 56464        |
| iii) Number of days of accounts payables | 7            | 11           |

9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

| Parameter                  | Metrics  | FY (2023-24) | PY (2022-23) |
|----------------------------|--|--------------|--------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                             | 0            | 0            |
|                            | b. Number of trading houses where purchases are made from                            | 0            | 0            |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses. | 0            | 0            |
| Concentration of Sales     | a. Sales to dealers /distributors as % of total sales                                | 100%         | 100%         |
|                            | b. Number of dealers/ distributors to whom sales are made                            | 831          | 655          |
|                            | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors  | 28.44%       | 35.22%       |

| Parameter        | Metrics   | FY (2023-24) | PY (2022-23) |
|------------------|---|--------------|--------------|
| Share of RPTS in | a. Purchases (purchases with related parties/<br>Total purchases)                                 | 8.22%        | 6.05%        |
|                  | b. Sales (Sales to related parties/Total Sales)   | 2.77%        | 6.11%        |
|                  | c. Loans and advances(Loans and advances<br>given to related parties/Total loans and<br>advances) | 0            | 0            |
|                  | d. Investments (Investments in related<br>parties/Total investments made)                         | 0            | 0            |

### Leadership Indicator

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:  
Yes, programme were conducted on the topic of enhancing awareness among our value chain partners on sustainable procurement policy, ESG (Environmental, Social, and Governance), health and safety, education, and adherence to the company's ethical guidelines, Supplier Code of Conduct etc.

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

We have established procedures to prevent and effectively handle situations where conflicts of interest may arise among members of the Board. Our corporate Code of Conduct and policy concerning transactions involving related parties dictate that the management must refrain from engaging in any transaction, whether direct or indirect, that could potentially compromise the Company's interests due to their personal or indirect interests.

Annually, the Company receives a declaration from its Board of Directors outlining any affiliations they may have with entities that could potentially lead to a conflict of interest. This thorough process ensures that any necessary approvals mandated by applicable laws are obtained before entering into any transactions with the respective entities



**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicator**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

|       | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts   |
|-------|------------------------|-------------------------|---|
| R&D   | 0%                     | 0%                      | NIL   |
| Capex | 9.31%                  | 11.47%                  | The integration of solar panels to boost renewable energy production, alongside the deployment of pollution abatement technologies like Effluent Treatment Plants (ETP) to reduce air pollution, and the establishment of ARO (Air, Water, and Odor) Treatment Plants for water recycling, collectively help decrease the dependence on groundwater for both manufacturing operations and the residential needs of factory workers. Additionally, the implementation of tandem mills further enhances efficiency and sustainability within the manufacturing process. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

100%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

| Sl. No. | Particulars                    | Remarks   |
|---------|--------------------------------|---|
| a       | Plastics (including packaging) | Not Applicable  |
| b       | E-waste                        | Not Applicable  |
| c       | Hazardous waste                | Through Authorised Vendors  |
| d       | Other waste.                   | End-of-life steel, commonly known as scrap steel, plays a crucial role in the steel industry. Instead of being discarded as waste, it is a valuable resource for the steelmaking process through remelting. Hariom Pipe exemplifies this commitment by not only reusing scrap from its own production processes but also actively sourcing additional scrap from external sources to support this effort. |

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Although Extended Producer Responsibility (EPR) is not currently applicable to our industry under existing regulations, we have implemented a comprehensive waste management plan that reflects our commitment to environmental responsibility. Our strategy encompasses effective recycling, responsible disposal, and minimizing environmental impact. Despite the absence of an EPR mandate, we remain dedicated to sustainable waste management practices.

**Leadership Indicator**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|---------------------------|---------------------------------|--|---|--|
|----------|---------------------------|---------------------------------|--|---|--|

NOT APPLICABLE

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service

Description of the risk / concern

NOT APPLICABLE

Action taken

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

|                          | FY 2023-24<br>(Current Financial Year) | FY 2022-23<br>(Previous Financial Year) |
|--------------------------|--|---|
| Recycled input materials | 44.29%                                 | 38.49%                                  |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

|                                | FY 2023-24 (Current Financial Year) |          |                 | FY 2022-23 (Previous Financial Year) |          |                 |
|--------------------------------|-------------------------------------|----------|-----------------|--------------------------------------|----------|-----------------|
|                                | Re-Used                             | Recycles | Safety disposed | Re-Used                              | Recycles | Safety disposed |
| Plastics (including packaging) | 0                                   | 0        | 0               | 0                                    | 0        | 0               |
| E-waste                        | 0                                   | 0        | 0               | 0                                    | 0        | 0               |
| Hazardous waste                | 0                                   | 0        | 0               | 0                                    | 0        | 0               |
| Other                          | 0                                   | 0        | 0               | 0                                    | 0        | 0               |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category

Reclaimed products and their packaging materials as % of total products sold in respective category

Not Applicable

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains manner that is sustainable and safe**

**Essential Indicator**

1. a. Details of measures for the well-being of employees:

% of employees covered by

|                                       | TOTAL (A) | Health insurance |         | Accident insurance |         | Maternity benefits |         | Paternity Benefits |         | Day Care facilities |         |
|---------------------------------------|-----------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                                       |           | No. (B)          | % (B/A) | No. (C)            | % (C/A) | No. (D)            | % (D/A) | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent employees</b>            |           |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                                  | 444       | 0                | 0%      | 444                | 100%    | 0                  | 0%      | 1                  | 0%      | -                   | 0%      |
| Female                                | 14        | 0                | 0%      | 14                 | 100%    | 1                  | 0%      | 0                  | 0%      | -                   | 0%      |
| Total                                 | 458       | 0                | 0%      | 458                | 100%    | 1                  | 0%      | 1                  | 0%      | -                   | 0%      |
| <b>Other than Permanent employees</b> |           |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                                  | 0         | 0                | 0%      | 0                  | 0%      | 0                  | 0%      | 0                  | 0%      | -                   | 0%      |
| Female                                | 0         | 0                | 0%      | 0                  | 0%      | 0                  | 0%      | 0                  | 0%      | -                   | 0%      |
| Total                                 | 0         | 0                | 0%      | 0                  | 0%      | 0                  | 0%      | 0                  | 0%      | -                   | 0%      |

1. b. Details of measures for the well-being of Workers

|                                     | TOTAL (A) | Health insurance |         | Accident insurance |         | Maternity benefits |         | Paternity Benefits |         | Day Care facilities |         |
|-------------------------------------|-----------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                                     |           | No. (B)          | % (B/A) | No. (C)            | % (C/A) | No. (D)            | % (D/A) | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent workers</b>            |           |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                                | 0         | 0                | 0       | 0                  | 0       | 0                  | 0       | 0                  | 0       | 0                   | 0       |
| Female                              | 0         | 0                | 0       | 0                  | 0       | 0                  | 0       | 0                  | 0       | 0                   | 0       |
| Total                               | 0         | 0                | 0       | 0                  | 0       | 0                  | 0       | 0                  | 0       | 0                   | 0       |
| <b>Other than permanent workers</b> |           |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male                                | 390       | 0                | 0%      | 390                | 100%    | 0                  | 0%      | 0                  | 0%      | 0                   | 0%      |
| Female                              | 0         | 0                | 0%      | 0                  | 100%    | 0                  | 0%      | 0                  | 0%      | 0                   | 0%      |
| Total                               | 390       | 0                | 0%      | 390                | 100%    | 0                  | 0%      | 0                  | 0%      | 0                   | 0%      |

1. C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

|   | FY (2023-24) | FY (2022-23) |
|---|--------------|--------------|
| iii) Cost incurred on wellbeing measures as a % of total revenue of the company | 0.06%        | 0.07%        |

## 2. Details of retirement benefits, for Current FY and Previous Financial Year

| Benefits         | FY 2023-24 (Current Financial Year)                |  |  | FY 2022-23 (Previous Financial Year)               |  |  |
|------------------|--|--|--|--|--|--|
|                  | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF               | 90%  | 0%   | Yes  | 85%  | 0%   | Yes  |
| Gratuity         | 100%   | 0%   | Yes  | 100%   | 0%   | Yes  |
| ESI              | 53%  | 0%   | Yes  | 25%  | 0%   | Yes  |
| Others – specify | 0%   | 0%   | N.A.   | 0%   | 0%   | N.A.   |

Employees and workers are included in the coverage as required by relevant regulations

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, The company is firmly committed to providing equal opportunities for everyone. We ensure that all job applicants and employees are treated fairly and without bias, regardless of gender, marital status, disability, race, color, religion, age, sexual orientation, nationality, or ethnic origins.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

|                        | Return to work rate | Retention rate |
|------------------------|---------------------|----------------|
| Permanent employees    | 100%                | 100%           |
| Permanent worker       | 100%                | 100%           |
| Total male employees   | 100%                | 100%           |
| Total Female employees | 100%                | 100%           |
| Total male worker      | 100%                | 100%           |
| Total female worker    | 100%                | 100%           |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

|                                | Yes/No (If Yes, then give details of the mechanism in brief)   |
|--------------------------------|--|
| Permanent worker               | The company promotes open communication by encouraging employees to report operational and performance issues to their supervisors. For organizational or appraisal concerns, the Human Resources Department is the designated channel. The Whistle Blower Mechanism enhances transparency and accountability, enabling employees to report unethical behavior or violations without fear. This initiative underscores the company's commitment to maintaining a responsible and ethical work culture. |
| Other than permanent worker    |  |
| Permanent Employees            |  |
| Other than permanent employees |  |



7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Particulars                           | FY 2023-24 (Current Financial Year)                  |  |           | FY 2022-23 (Previous Financial Year)                 |  |           |
|---------------------------------------|--|--|-----------|--|--|-----------|
|                                       | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) |
| Total Permanent Employees and Workers |  |  |           |  |  |           |
| Male                                  | 444  | -  | 0%        | 315  | -  | 0%        |
| Female                                | 14   | -  | 0%        | 13   | -  | 0%        |
| Total                                 | 458  | -  | 0%        | 328  | -  | 0%        |

8. Details of training given to employees and workers:

| Category  | FY 2023-24 (Current Financial Year) |                               |           |                      |           | FY 2022-23 (Previous Financial Year) |                               |           |                      |           |
|-----------|-------------------------------------|-------------------------------|-----------|----------------------|-----------|--------------------------------------|-------------------------------|-----------|----------------------|-----------|
|           | Total (A)                           | On Health and safety measures |           | On Skill upgradation |           | Total (D)                            | On Health and safety measures |           | On Skill upgradation |           |
|           |                                     | No. (B)                       | % (B / A) | No. (C)              | % (C / A) |                                      | No. (E)                       | % (E / D) | No. (F)              | % (F / D) |
| Employees |                                     |                               |           |                      |           |                                      |                               |           |                      |           |
| Male      | 444                                 | 444                           | 100%      | 444                  | 100%      | 315                                  | 315                           | 100%      | 313                  | 99%       |
| Female    | 14                                  | 14                            | 100%      | 14                   | 100%      | 13                                   | 13                            | 100%      | 13                   | 100%      |
| Total     | 458                                 | 458                           | 100%      | 458                  | 100%      | 328                                  | 328                           | 100%      | 328                  | 100%      |
| Workers   |                                     |                               |           |                      |           |                                      |                               |           |                      |           |
| Male      | 390                                 | 390                           | 100%      | 390                  | 100%      | 312                                  | 312                           | 100%      | 312                  | 100%      |
| Female    | 0                                   | 0                             | 0%        | 0                    | 0%        | 0                                    | 0                             | 0%        | 0                    | 0%        |
| Total     | 390                                 | 390                           | 100%      | 390                  | 100%      | 312                                  | 312                           | 100%      | 312                  | 100%      |

9. Details of performance and career development reviews of employees and worker:

| Category  | FY 2023-24 (Current Financial Year) |                               |           |                      |           | FY 2022-23 (Previous Financial Year) |                               |           |                      |           |
|-----------|-------------------------------------|-------------------------------|-----------|----------------------|-----------|--------------------------------------|-------------------------------|-----------|----------------------|-----------|
|           | Total (A)                           | On Health and safety measures |           | On Skill upgradation |           | Total (D)                            | On Health and safety measures |           | On Skill upgradation |           |
|           |                                     | No. (B)                       | % (B / A) | No. (C)              | % (C / A) |                                      | No. (E)                       | % (E / D) | No. (F)              | % (F / D) |
| Employees |                                     |                               |           |                      |           |                                      |                               |           |                      |           |
| Male      | 444                                 | 444                           | 100%      | 444                  | 100%      | 315                                  | 313                           | 100%      | 313                  | 100%      |
| Female    | 14                                  | 14                            | 100%      | 14                   | 100%      | 13                                   | 13                            | 100%      | 13                   | 100%      |
| Total     | 458                                 | 458                           | 100%      | 458                  | 100%      | 328                                  | 326                           | 100%      | 326                  | 100%      |
| Workers   |                                     |                               |           |                      |           |                                      |                               |           |                      |           |
| Male      | 390                                 | 390                           | 100%      | 390                  | 100%      | 312                                  | 312                           | 100%      | 312                  | 100%      |
| Female    | 0                                   | 0                             | 0%        | 0                    | 0%        | 0                                    | 0                             | 0%        | 0                    | 0%        |
| Total     | 390                                 | 390                           | 100%      | 390                  | 100%      | 312                                  | 312                           | 100%      | 312                  | 100%      |

#### 10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes, the entity has implemented an occupational health and safety management system. This year, the system continues to encompass a comprehensive range of measures and protocols aimed at ensuring the well-being and safety of all employees and workers within the organization. The occupational health and safety management system is consistently reviewed and updated to adapt to changing circumstances, upholding the highest standards of safety across all operational areas.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The entity's strategy for identifying work-related hazards and assessing risks involves the following procedures:

1. Identifying hazards associated with each process and phase.
2. Conducting workplace safety inspections to uncover potential hazards.
3. Compiling existing information about workplace hazards.
4. Acknowledging relevant legal obligations related to risk assessment and necessary control implementations.
5. Assessing the need for additional measures to eliminate hazards.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. **(Y/N)**

Yes, the entity has established processes that empower workers to report work-related hazards and take measures to remove themselves from such risks. Workers are encouraged and educated on how to promptly report any hazards they encounter during their tasks. This proactive approach ensures that potential hazards are swiftly addressed, promoting a culture of safety and well-being within the organization.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes, Our plant provides employees with access to non-occupational medical and healthcare services, including regular check-ups, preventive care, mental health services, and emergency care.

#### 11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | FY (2023-24) | PY (2022-23) |
|---|-----------|--------------|--------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one Million person hours worked) | Employees | -            | -            |
|   | Workers   | -            | -            |
| Total recordable work-related injuries  | Employees | -            | -            |
|   | Workers   | -            | -            |
| No. of fatalities   | Employees | -            | -            |
|   | Workers   | -            | -            |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | -            | -            |
|   | Workers   | -            | -            |

#### 12. Describe the measures taken by the entity to ensure a safe and healthy work place

The entity ensures a safe and healthy workplace for its employees through the following measures:

**1. Specialized Training:** Employees undergo targeted training to address industry-specific hazards and safe operational practices.

**2. Adherence to Safety Protocols:** Strict compliance with established safety procedures and guidelines to mitigate risks.

**3. Personal Protective Equipment:** Provision of appropriate equipments such as helmets, gloves, goggles.

**4. Routine Safety Inspections:** Regular checks to identify and rectify potential hazards in the work environment.

**5. Ergonomic Considerations:** Designing workstations for optimal ergonomics to minimize physical strain.

**6. Health Surveillance:** Monitoring employees' health and well-being through regular check-ups and assessments.

**7. Effective Communication:** Clear dissemination of safety guidelines and protocols to all employees.

**8. Continuous Improvement:** Encouraging employee feedback and incorporating enhancements to safety measures.

13. Number of Complaints on the following made by employees and workers:

| Particulars        | FY 2023-24 (Current Financial Year) |                                       |         | FY 2022-23 (Previous Financial Year) |                                       |         |
|--------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
|                    | Filed during the year               | Pending resolution at the end of year | Remarks | Filed during the year                | Pending resolution at the end of year | Remarks |
| Working Conditions | -                                   | -                                     |         | -                                    | -                                     |         |
| Health and safety  | -                                   | -                                     |         | -                                    | -                                     |         |

14. Assessments for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The entity is actively addressing safety-related incidents through thorough incident analysis and implementing corrective measures. The entity's continuous improvement culture ensures that safety concerns are promptly addressed, fostering a secure environment for employees.

#### Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company's management places a high priority on the well-being of its employees. In the unfortunate event of an employee or worker's passing, the Company is dedicated to assisting the family in claiming their rightful legally available dues as per the company policies

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

1. Ensuring adherence to PF and ESIC regulations, we validate contractor and vendor payments by requesting proof of compliance prior to disbursing payment to them.

2. Monthly reconciliations of GSTR-2B are conducted to verify vendors' GST payments and timely submission of returns to the government.

3. Our prompt GST return submissions facilitate timely GST credit availability for our customers, and we diligently address any GST credit-related matters.

4. We proactively liaise with both customers to acquire Form 16A certificates for TDS

3. Provide the number of employees / workers having suffered high consequence workrelated injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| Total no. of affected employees/ workers  | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | Nil        | Nil        |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

|                             | <b>% of value chain partners (by value of business done with such partners) that were assessed</b>  |
|-----------------------------|---|
| Health and safety practices | We are currently organizing both informal and formal awareness programs for our value chain partners, we are concurrently in the process of gathering data and information in accordance with the prescribed format |
| Working Conditions          |   |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable



## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicator

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The Company holds all stakeholders in high esteem and prioritizes their significance, fostering lasting and harmonious relationships. Stakeholders are identified based on the extent of their impact on the business. Key stakeholders encompass employees and workers, suppliers, customers, business partners, regulatory agencies, and shareholders and investors in proximity to the Company's operational sites.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group                  | Whether identified as Vulnerable & Marginalised Group | Channels of communication  | Frequency of engagement                                | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|------------------------------------|---|--|--|--|
| Employees & Workers                | No  | Email, Phone calls, SMS, Meetings, Notice Board, Training Programs, Employee Celebration   | Regular  | Effective communication about daily operations and business activities is crucial. Additionally, knowledge in areas such as leadership, policy, safety measures, environmental considerations, social engagement, governance practices, occupational health, mental well-being, soft skills, risk management, specialized technical aspects, and compliance training is essential. |
| Shareholders & Investors           | No  | Email, Website, Phone calls, SMS, Quarterly publication of results, Newspaper advertisements, General Meetings, Stock Exchange intimations | Annually/<br>Half yearly/<br>Quarterly/<br>Event basis | Transparent and effective communication of business performance, Compliance, Governance Practices  |
| Suppliers/ Vendors                 | No  | Email, Phone calls, SMS, Meetings, Website   | Regular  | Adhering to fair and ethical procurement and engagement standards, offering transparent pricing and favorable payment terms, ensuring timely approvals and efficient clearance procedures, and carefully addressing suppliers' concerns.   |
| Customers and Value Chain Partners | No  | Email, Phone calls, SMS, Meetings, Website, Advertisement and Business Promotion   | Regular  | Acknowledging and processing diverse orders while engaging in discussions regarding pricing and product quality and benefits. Grasping customer service needs and addressing any concerns that arise.  |
| Government and Regulatory Bodies   | No  | Fillings and submissions, Engagement during visits to our facilities, Email and website  | Annually/<br>Half yearly/<br>Quarterly/<br>Event basis | To comply with applicable Regulations as amended from time to time.  |

## Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

At Hariom Pipe Industries Limited, we emphasize robust stakeholder engagement to drive our sustainable development initiatives. Our communication channels include the annual report, website, and AGM, complemented by new digital tools and interactive webinars for enhanced outreach.

Our Stakeholder Relationship Committee oversees the collection and management of stakeholder feedback. This committee ensures that essential insights are effectively communicated to the Board.

We actively seek stakeholder input through surveys and focus groups on key economic, environmental, and social topics. The feedback is systematically reviewed and presented to the Board to guide informed decision-making.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. Feedback from stakeholders has led us to refine our environmental policies, such as implementing stricter emissions reduction targets, and enhance our social programs, including improved community and employee initiatives. We transparently share these updates and how we have addressed stakeholder input in our Annual Reports.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups

The company is dedicated to engaging with and addressing the concerns of vulnerable and marginalized stakeholder groups through various Corporate Social Responsibility (CSR) initiatives. Our efforts focus on supporting education, health, nutrition, sanitation, and overall well-being for underprivileged communities. These initiatives are designed to meet the specific needs of these groups and contribute to their socio-economic improvement.

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

| Category             | FY 2023-24 (Current Financial Year) |                                       |          | FY 2022-23 (Previous Financial Year) |                                       |          |
|----------------------|-------------------------------------|---------------------------------------|----------|--------------------------------------|---------------------------------------|----------|
|                      | Total (A)                           | No. of employees/ workers covered (B) | % (B/ A) | Total (A)                            | No. of employees/ workers covered (B) | % (B/ A) |
| <b>Employees</b>     |                                     |                                       |          |                                      |                                       |          |
| Permanent            | 458                                 | 458                                   | 100%     | 328                                  | 328                                   | 100%     |
| Other than permanent | 0                                   | 0                                     | 0%       | 0                                    | 0                                     | 0%       |
| Total                | 458                                 | 458                                   | 100%     | 328                                  | 328                                   | 100%     |
| <b>Workers</b>       |                                     |                                       |          |                                      |                                       |          |
| Permanent            | 0                                   | 0                                     | 0%       | 0                                    | 0                                     | 0%       |
| Other than permanent | 390                                 | 390                                   | 100%     | 312                                  | 312                                   | 100%     |
| Total                | 390                                 | 390                                   | 100%     | 312                                  | 312                                   | 100%     |

2. Details of minimum wages paid to employees and workers

| Category             | FY 2023-24 (Current Financial Year) |                       |         |                        |         | FY 2022-23 (Previous Financial Year) |                       |         |                        |         |
|----------------------|-------------------------------------|-----------------------|---------|------------------------|---------|--------------------------------------|-----------------------|---------|------------------------|---------|
|                      | Total (A)                           | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (A)                            | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                      |                                     | No. (B)               | % (B/A) | No. (C)                | % (C/A) |                                      | No. (B)               | % (B/A) | No. (C)                | % (C/A) |
| <b>Employees</b>     |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| Permanent            | 458                                 | 0                     | 0%      | 458                    | 100%    | 328                                  | 0                     | 0%      | 328                    | 100%    |
| Other than permanent | 0                                   | 0                     | 0%      | 0                      | 0%      | 0                                    | 0                     | 0%      | 0                      | 0%      |
| Total                | 458                                 | 0                     | 0%      | 458                    | 100%    | 328                                  | 0                     | 0%      | 328                    | 100%    |
| <b>Workers</b>       |                                     |                       |         |                        |         |                                      |                       |         |                        |         |
| Permanent            | 0                                   | 0                     | 0%      | 0                      | 0%      | 0                                    | 0                     | 0%      | 0                      | 0%      |
| Other than permanent | 390                                 | 0                     | 0%      | 390                    | 100%    | 312                                  | 0                     | 0%      | 312                    | 100%    |
| Total                | 390                                 | 0                     | 0%      | 390                    | 100%    | 312                                  | 0                     | 0%      | 312                    | 100%    |

## 3. Details of remuneration/salary/wages, in the following format:

|                                  | Female |   | Male   |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)         | 0      |   | 2      | 26.93 Lakhs Per Month                                     |
| Key Managerial Personnel         | 1      | 1.20 Lakhs Per Month                                      | 1      | 3.58 Lakhs Per Month                                      |
| Employees other than BoD and KMP | 13     | 0.18 Lakhs Per Month                                      | 441    | 0.11 Lakhs Per Month                                      |
| Workers                          | 0      |   | 390    | 0.10 Lakhs Per Month                                      |

## 4. Gross wages paid to females as % of total wages paid by the entity, in the following format:

|   | FY (2023-24) | FY (2022-23) |
|---|--------------|--------------|
| Gross wages paid to females (Gross wages paid to females as % of total wages) | 3%           | 5%           |

## 5. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company have a strong Human Resources department that takes the responsibility of addressing human rights impacts or issues arising from its business operations.

## 6. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has put in place internal mechanisms to effectively address grievances concerning human rights matters. The Human Resources department is entrusted with the task of thoroughly reviewing and investigating these grievances, with a commitment to maintaining fairness and transparency throughout the process.

## 7. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

| Category                          | FY 2023-24 (Current Financial Year) |                                       |         | FY 2022-23 (Previous Financial Year) |                                       |         |
|-----------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
|                                   | Filed during the year               | Pending resolution at the end of year | Remarks | Filed during the year                | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | -                                   | -                                     | Nil     | -                                    | -                                     | Nil     |
| Discrimination at workplace       | -                                   | -                                     | Nil     | -                                    | -                                     | Nil     |
| Child Labour                      | -                                   | -                                     | Nil     | -                                    | -                                     | Nil     |
| Forced Labour/Involuntary Labour  | -                                   | -                                     | Nil     | -                                    | -                                     | Nil     |
| Wages                             | -                                   | -                                     | Nil     | -                                    | -                                     | Nil     |
| Other human rights related issues | -                                   | -                                     | Nil     | -                                    | -                                     | Nil     |



8. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

|  | FY (2023-24) | FY (2022-23) |
|--|--------------|--------------|
| i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0            | 0            |
| ii) Complaints on POSH as a % of female employees / workers  | 0%           | 0%           |
| iii) Complaints on POSH upheld   | 0            | 0            |

9. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company upholds the principle of natural justice and guarantees the complete confidentiality of complainants throughout and after the grievance resolution process. Typically, such complaints are overseen by senior members of the organization

10. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

11. Assessments for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| <b>Child labour</b>         |   |
| Forced/involuntary labour   |   |
| Sexual harassment           | 100%  |
| Discrimination at workplace | The Company is in compliance with the applicable laws.  |
| Wages                       |   |
| Others, specify             |   |

12. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. - Not Applicable

**Leadership Indicator**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Throughout the Financial Year, the Company has not received any complaints. As a result, no alterations or introductions have been made to existing business processes for the purpose of addressing human rights grievances or complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The company has firm measures to prevent behaviors that violate its Ethics policy and Code of Conduct, encompassing human rights and other forms of misconduct.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Hariom ensures that all its locations, including offices and plants, are accessible to visitors with disabilities, in accordance with the Rights of Persons with Disabilities Act, 2016

## 4. Details on assessment of value chain partners:

|                                  | <b>% of value chain partners (by value of business done with such partners) that were assessed</b> |
|----------------------------------|--|
| Sexual Harassment                |  |
| Discrimination at workplace      |  |
| Child Labour                     |  |
| Forced Labour/Involuntary Labour | Nil  |
| Wages                            |  |
| Others                           |  |

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NIL

## PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

### Essential Indicator

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

| Parameter   | Units | FY (2023-24)           | PY (2022-23)           |
|---|-------|------------------------|------------------------|
| <b>From renewable sources</b>   |       |                        |                        |
| Total electricity consumption (A)   |       | 9.21 terajoules (TJ)   | 1.25 terajoules (TJ)   |
| Total fuel consumption (B)  |       |                        |                        |
| Energy consumption through other sources (C)  |       |                        |                        |
| Total energy consumed from renewable sources (A+B+C)  |       | 9.21 terajoules (TJ)   | 1.25 terajoules (TJ)   |
| <b>From non-renewable sources</b>   |       |                        |                        |
| Total electricity consumption (D)   |       | 288.97 terajoules (TJ) | 298.40 terajoules (TJ) |
| Total fuel consumption (E)  |       |                        |                        |
| Energy consumption through other sources (F)  |       |                        |                        |
| Total energy consumed from non-renewable sources (D+E+F)  |       | 288.97 terajoules (TJ) | 298.40 terajoules (TJ) |
| Total energy consumed (A+B+C+D+E+F)   |       | 298.18 terajoules (TJ) | 299.65 terajoules (TJ) |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)  |       | 0.00257 TJ/rupee       | 0.00046 TJ/rupee       |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>(Total energy consumed / Revenue from operations adjusted for PPP) |       | -                      | -                      |
| Energy intensity in terms of physical Output  |       | -                      | -                      |
| Energy intensity (optional) – the relevant metric may be selected by the entity   |       | -                      | -                      |
| Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)                                    |       |                        | No                     |
| If yes, name of the external agency.  |       |                        | NA                     |

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

| Parameters (With Treatment)  | FY 2023-24<br>(Current<br>Financial Year) | FY 2022-23<br>(Previous<br>Financial Year) |
|--|---|--|
| <b>Water withdrawal by source (in kilolitres)</b>                              |   |  |
| (i) Surface water  | -   | -  |
| (ii) Groundwater   | -   | -  |
| (iii) Third party water  | 73559                                     | 356  |
| (iv) Seawater / desalinated water  | -   | -  |
| (v) Others - Recycled Water  | 45995                                     | 535  |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)       | 119554                                    | 891  |
| Total volume of water consumption (in kilolitres)                              | 119554                                    | 891  |
| Water intensity per rupee of turnover (Water consumed / turnover)              | 1.03673                                   | 0.01384                                    |
| Water intensity in terms of physical output                                    |   |  |
| Water intensity (optional) – the relevant metric may be selected by the entity | -   | -  |

4. Provide the following details related to water discharged:

|  | FY (2023-24) | FY (2022-23) |
|--|--------------|--------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |              |              |
| (i) To Surface water   | NIL          | NIL          |
| No treatment   | NIL          | NIL          |
| With treatment – please specify level of treatment                           | NIL          | NIL          |
| (ii) To Groundwater  | NIL          | NIL          |
| No treatment   | NIL          | NIL          |
| With treatment – please specify level of treatment                           | NIL          | NIL          |
| (iii) To Seawater  | NIL          | NIL          |
| No treatment   | NIL          | NIL          |
| With treatment – please specify level of treatment                           | NIL          | NIL          |
| (iv) Sent to third-parties   | NIL          | NIL          |
| No treatment   | NIL          | NIL          |
| With treatment – please specify level of treatment                           | NIL          | NIL          |
| (v) Others   | NIL          | NIL          |
| No treatment   | NIL          | NIL          |
| With treatment – please specify level of treatment                           | NIL          | NIL          |
| Total water discharged (in kilolitres)                                       | NIL          | NIL          |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No

If yes, name of the external agency. NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented Zero Liquid Discharge (ZLD) in our integrated steel plant. This means we reuse the water within our operations, with no liquid effluent discharged into the environment. Our ZLD system reflects our commitment to sustainability and responsible practices.



6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameters                          | Current FY              | Previous FY             |
|-------------------------------------|-------------------------|-------------------------|
| NOx                                 | Within statutory limits | Within statutory limits |
| SOx                                 | Within statutory limits | Within statutory limits |
| Particulate matter (PM)             | <60                     | <60                     |
| Persistent organic pollutants (POP) | Within statutory limits | Within statutory limits |
| Volatile organic compounds (VOC)    | Within statutory limits | Within statutory limits |
| Hazardous air pollutants (HAP)      | Within statutory limits | Within statutory limits |
| Others, specify                     | Within statutory limits | Within statutory limits |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameters  | Current FY              | Previous FY             |
|---|-------------------------|-------------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Within statutory limits | Within statutory limits |
| Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Within statutory limits | Within statutory limits |
| Total Scope 1 and Scope 2 emissions per rupee of turnover   | Within statutory limits | Within statutory limits |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity   | Within statutory limits | Within statutory limits |
| (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)   |                         |                         |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)   |                         |                         |
| (Total Scope 1 and Scope 2 emissions / Revenue from operations adjusted for PPP)  |                         |                         |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output  |                         |                         |
| <b>Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.</b>     |                         |                         |

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Deployment of Pollution Abatement Technologies such as Effluent Treatment Plants (ETP) to curb air pollution

9. Provide details related to waste management by the entity, in the following format:

| Parameters                                      | Current FY     | Previous FY    |
|---|----------------|----------------|
| <b>Total Waste generated (in metric tonnes)</b> |                |                |
| Plastic waste (A)                               | Not Applicable | Not Applicable |
| E-waste (B)                                     | Not Applicable | Not Applicable |
| Bio-medical waste (C)                           | Not Applicable | Not Applicable |
| Construction and demolition waste (D)           | Not Applicable | Not Applicable |

| Parameters   | Current FY     | Previous FY    |
|--|----------------|----------------|
| Battery waste (E)  | Not Applicable | Not Applicable |
| Radioactive waste (F)  | Not Applicable | Not Applicable |
| Other Hazardous waste. Please specify, if any. (G)   | Not Applicable | Not Applicable |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)            |                |                |
| Total (A+B + C + D + E + F + G + H)  |                |                |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |                |                |
| Category of waste  |                |                |
| (i) Recycled   | Not Applicable | Not Applicable |
| (ii) Re-used   | Not Applicable | Not Applicable |
| (iii) Other recovery operations  | Not Applicable | Not Applicable |
| Total  |                |                |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |                |                |
| Category of waste  |                |                |
| (i) Incineration   | Not Applicable | Not Applicable |
| (ii) Landfilling   | Not Applicable | Not Applicable |
| (iii) Other disposal operations  | Not Applicable | Not Applicable |
| Total  |                |                |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

In our waste management strategy, we utilize advanced technologies such as Effluent Treatment Plants (ETP) and pollution control equipment to reduce carbon emissions and capture carbon particles using bag filters for reuse in the printing cartridge industry. We implement a Reverse Osmosis (RO) plant to reuse industrial wastewater, reducing groundwater consumption. Additionally, we recycle slag metal and incorporate recycled steel scrap, lowering CO2 emissions and promoting circular economy principles. We also employ wet scrubbers to control zinc and acid waste and use multi-cyclone dust collectors in our galvanizing units to manage emissions. These efforts contribute to creating a sustainable environment for our community.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/offices

Type of operations

Not Applicable

Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project

EIA Notification Number

Date

Whether conducted by independent external agency (Yes / No)

Not Applicable

Results communicated in public domain (Yes / No)

Weblink if any

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Specify the law / regulation / guidelines which was not complied with

Provide details of the noncompliance

Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts

All the laws are complied

Corrective action taken, if any

#### Leadership Indicator

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameters   | Current FY             | Previous FY            |
|--|------------------------|------------------------|
| <b>From renewable sources</b>                            |                        |                        |
| Total electricity consumption (A)                        | 9.21 terajoules (TJ)   | 1.25 terajoules (TJ)   |
| Total fuel consumption (B)                               | 0                      | 0                      |
| Energy consumption through other sources (C)             | -                      | -                      |
| Total energy consumed from renewable sources (A+B+C)     | 9.21 terajoules (TJ)   | 1.25 terajoules (TJ)   |
| <b>From non-renewable sources</b>                        |                        |                        |
| Total electricity consumption (D)                        | 288.97 terajoules (TJ) | 298.40 terajoules (TJ) |
| Total fuel consumption (E)                               | -                      | -                      |
| Energy consumption through other sources (F)             | -                      | -                      |
| Total energy consumed from non-renewable sources (D+E+F) | 288.97 terajoules (TJ) | 298.40 terajoules (TJ) |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

## 2. Provide the following details related to water discharged:

| Parameters   | Current FY | Previous FY |
|--|------------|-------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |            |             |
| (i) To Surface water   | Nil        | Nil         |
| No treatment   | Nil        | Nil         |
| With treatment – please specify level of treatment                           | Nil        | Nil         |
| (ii) To Groundwater  | Nil        | Nil         |
| No treatment   | Nil        | Nil         |
| With treatment – please specify level of treatment                           | Nil        | Nil         |
| (iii) To Seawater  | Nil        | Nil         |
| No treatment   | Nil        | Nil         |
| With treatment – please specify level of treatment                           | Nil        | Nil         |
| (iv) Sent to third-parties   | Nil        | Nil         |
| No treatment   | Nil        | Nil         |
| With treatment – please specify level of treatment                           | Nil        | Nil         |
| (v) Others   | Nil        | Nil         |
| No treatment   | Nil        | Nil         |
| With treatment – please specify level of treatment                           | Nil        | Nil         |
| Total water discharged (in kilolitres)                                       | Nil        | Nil         |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

## 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameters   | Current FY | Previous FY |
|--|------------|-------------|
| <b>Water withdrawal by source (in kilolitres)</b>                              |            |             |
| (i) Surface water  | NIL        | NIL         |
| (ii) Groundwater   | NIL        | NIL         |
| (iii) Third party water  | NIL        | NIL         |
| (iv) Seawater / desalinated water  | NIL        | NIL         |
| (v) Others   | NIL        | NIL         |
| Total volume of water withdrawal (in kilolitres)                               | NIL        | NIL         |
| Total volume of water consumption (in kilolitres)                              | NIL        | NIL         |
| Water intensity per rupee of turnover (Water consumed / turnover)              | NIL        | NIL         |
| Water intensity (optional) – the relevant metric may be selected by the entity | NIL        | NIL         |



| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |     |     |
|--|-----|-----|
| (i) Into Surface water   | Nil | Nil |
| No treatment   | Nil | Nil |
| With treatment – please specify level of treatment                           | Nil | Nil |
| (ii) To Groundwater  | Nil | Nil |
| No treatment   | Nil | Nil |
| With treatment – please specify level of treatment                           | Nil | Nil |
| (iii) To Seawater  | Nil | Nil |
| No treatment   | Nil | Nil |
| With treatment – please specify level of treatment                           | Nil | Nil |
| (iv) Sent to third-parties   | Nil | Nil |
| No treatment   | Nil | Nil |
| With treatment – please specify level of treatment                           | Nil | Nil |
| (v) Others   | Nil | Nil |
| No treatment   | Nil | Nil |
| With treatment – please specify level of treatment                           | Nil | Nil |
| Total water discharged (in kilolitres)                                       | Nil | Nil |

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| <b>Parameters</b>   | <b>Current FY</b> | <b>Previous FY</b> |
|---|-------------------|--------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | 10328272          | 154423             |
| Total Scope 3 emissions per rupee of turnover   | 89.16             | 0.000024           |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity   |                   |                    |

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sl. No. | Initiative undertaken  | Details of the initiative (Web-link, if any, may be provided along-with summary)                                    | Outcome of the initiative  |
|---------|--|---|--|
| 1       | Installation of ETP and Pollution Equipment                              | ETP and pollution control equipment installed across all units.   | Reduced carbon emissions and captured carbon particles via bag filters for potential reuse in the printing cartridge industry. |
| 2       | Installation of Water Treatment Plants                                   | Water treatment plants installed at the Mahabubnagar unit.  | Repurposed industrial wastewater for domestic and industrial use, reducing groundwater consumption.                            |
| 3       | Integration of IoT and Automation  | IoT sensors and automated control systems implemented to monitor and optimize the galvanizing process in real-time. | Enhanced process efficiency, reduced operational costs, improved product quality, and minimized resource waste.                |
| 4       | Introduction of Energy Management Practices                              | Energy management systems implemented to monitor and optimize energy use throughout the plant.                      | Improved overall energy efficiency and reduced operational costs.  |
| 5       | Implementing the installation of a crusher machine and bundling machine. | Crusher and bundling machines installed at the Mahabubnagar unit.   | Decreased CO2 emissions and enhanced circular economy practices, contributing to a sustainable environment for the community.  |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a robust Business Continuity and Disaster Management Plan designed to sustain critical operations during various disruptions, such as natural disasters, equipment malfunctions, and supply chain issues. This plan delineates key personnel roles, sets up communication protocols, and emphasizes safety measures for employees and stakeholders. Regular training and drills are conducted to maintain preparedness. The plan encompasses asset protection, data recovery, and adherence to safety regulations. By focusing on continuity, the plant aims to reduce downtime, protect its workforce, and ensure the uninterrupted production and supply of steel products, even in challenging situations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NIL

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

4%

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicator**

1. a. Number of affiliations with trade and industry chambers/ associations.

1 (One)

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations             | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1      | Federation of Telangana Chamber of Commerce and Industry (FTAPCI) | State   |

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

|                         |  |
|-------------------------|--|
| Name of authority       | No adverse orders received from regulatory authorities for anti-competitive conduct. |
| Case brief              |  |
| Corrective action taken |  |
|                         |  |

**Leadership Indicator**

1. Details of public policy positions advocated by the entity:

|   |    |
|---|----|
| Public policy advocated   |    |
| Method resorted for such advocacy   |    |
| Whether information available in public domain? (Yes/No)                                  | NO |
| Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) |    |
| Web Link, if available  |    |

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

|   |   |
|---|---|
| Name and brief details of project                           |   |
| SIA Notification No.  |   |
| Date of notification  | Not applicable, as there were no projects that require SIA as per applicable laws |
| Whether conducted by independent external agency (Yes / No) |   |
| Results communicated in public domain (Yes / No)            |   |
| Relevant Web link   |   |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

|  |                |
|--|----------------|
| Name of Project for which R&R is ongoing |                |
| State                                    |                |
| District                                 |                |
| No. of Project Affected Families (PAFs)  | Not Applicable |
| % of PAFs covered by R&R                 |                |
| Amounts paid to PAFs in the FY (In INR)  |                |

3. Describe the mechanisms to receive and redress grievances of the community.

We've established communication channels, including our online platform, mail, and written correspondence, for community members to voice their concerns. When a grievance is raised, our stakeholder committee conducts a comprehensive review. This is followed by an in-depth investigation and transparent discussions with the community members affected. Through joint efforts, we collectively identify and put into action an equitable solution. We ensure consistent updates on the progress and strive to resolve the concern to the satisfaction of all parties involved.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

|  | Current FY | Previous FY |
|--|------------|-------------|
| Directly sourced from MSMEs/ small producers (Only For Purchase of Raw Material and Consumables) | 8%         | 10%         |
| Sourced directly from within the district and neighbouring districts                             | 33%        | 6%          |

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

| Location     | FY (2023-24) | FY (2022-23) |
|--------------|--------------|--------------|
| Rural        | 12.15%       | 6.33%        |
| Semi-Urban   | 21.97%       | 18.39%       |
| Urban        | 25.62%       | 30.72%       |
| Metropolitan | 40.25%       | 44.56%       |



### Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

|  |   |
|--|---|
| Details of negative social impact identified | Not applicable, as there were no projects that require SIA as per applicable laws |
| Corrective action taken                      |   |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

|                       |     |
|-----------------------|-----|
| State                 |     |
| Aspirational district | NIL |
| Amount spent (In INR) |     |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

|  |               |
|--|---------------|
| Intellectual Property based on traditional knowledge |               |
| Owned/ Acquired (Yes/No)                             | Not Available |
| Benefit shared (Yes / No)                            |               |
| Basis of calculating benefit share                   |               |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

|                         |                |
|-------------------------|----------------|
| Name of the authority   |                |
| Brief of the Case       | Not Applicable |
| Corrective action taken |                |

6. Details of beneficiaries of CSR Projects:

|  |                |
|--|----------------|
| Name of the project  |                |
| No. of persons benefitted from CSR Projects                | Not Applicable |
| % of beneficiaries from vulnerable and marginalized groups |                |

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company has established effective mechanisms to receive and address consumer complaints and feedback. This includes accessible channels such as helpline numbers, online platforms, and designated email addresses where consumers can voice their concerns. Trained customer service teams promptly acknowledge and assess complaints, working towards fair resolutions.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

The Company's products conform to all applicable statutory parameters:

|   | <i>As a percentage to total turnover</i> |
|---|--|
| Environmental and social parameters relevant to the product |  |
| Safe and responsible usage                                  | 100%                                     |
| Recycling and/or safe disposal                              |  |

3. Number of consumer complaints in respect of the following:

|                                | Current FY | Previous FY |
|--------------------------------|------------|-------------|
| Data privacy                   |            |             |
| Advertisement                  |            |             |
| Cyber security                 |            |             |
| Delivery of essential services |            | NIL         |
| Restrictive Trade Practices    |            |             |
| Unfair Trade Practices         |            |             |
| Others                         |            |             |

4. Details of instances of product recalls on account of safety issues:

|                   | Number | Reason for a call |
|-------------------|--------|-------------------|
| Voluntary recalls |        |                   |
| Forced calls      |        | NIL               |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes, <https://www.hariompipes.com/investor-relations-policies.php>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable as there have been no reported incidents of such issues.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches NIL
- b. Percentage of data breaches involving personally identifiable information of customers NIL
- c. Impact, if any, of the data breaches NIL

**Leadership Indicator**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.hariompipes.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The company educate consumers about the safe and responsible usage of steel products. This includes clear product information, user manuals, online resources, customer support, safety campaigns, and collaboration with retailers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We have regular conversations with our customers to work on problems as a team. The Company values quality and good service, which helps us create strong relationships and trust through ongoing communication.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the entity provides additional product information beyond local legal requirements. This supplementary information often includes usage instructions, safety precautions, and specifications. These efforts are aimed at promoting consumer awareness and responsible usage.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF Hariom Pipe Industries Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Hariom Pipe Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, 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 ended on that date and a summary of accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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

| Sr. No. | Key Audit Matter  | How our audit addressed the key audit matter  |
|---------|---|---|
| 1       | <p><b>Property, Plant and Equipments (PPE) ₹36,505.41 Lakhs as at March 31, 2024 (Refer note -2(a)).</b></p> <p>During the year, there has been substantial additions in the PPE. In view of the same, the additions to the PPE was considered as a key audit matter so as to confirm the proper accounting and recognition, measurement and disclosure of PPE, in compliance with the Ind AS 16, controls and monitoring procedure for capitalization of PPE and utilization of the funds raised for this purpose.</p> | <p>Our Audit procedures included the following:</p> <ol style="list-style-type: none"> <li>For addition to the PPE, we verified the approval and authorization procedures including contractual agreements with the major vendors and respective purchase orders.</li> <li>We selected the sample of vouchers for additions to the PPE during the year and verified the same. Verified with the reports of physical verifications carried out by the management, if any.</li> <li>We verified borrowings against the PPE acquired, and the creation/registration of charge in respect of PPEs acquired out of the borrowed funds, offered as a security.</li> <li>We verified correctness of the depreciation.</li> <li>We verified correctness of accounting and disclosures as per Ind AS read with schedule III of the Act.</li> </ol> |

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") 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 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sr. No. | Key Audit Matter  | How our audit addressed the key audit matter   |
|---------|---|--|
| 2       | <p><b>Capital Work-in-Progress (CWIP) - ₹1314.31 Lakhs as at March 31, 2024 (Refer note 2(b))</b></p> <p>During the year, there was addition of ₹1904.74 lakhs to CWIP (including borrowing cost of ₹184.97 lakhs) and capitalization of assets worth ₹10,909.16 lakhs.</p> <p>Since the amounts involved in the above was significant and material, the audit of the above area was considered to be a key audit matter for reporting purpose.</p> | <p>Our Audit procedures included the following:</p> <ol style="list-style-type: none"> <li>We understood from the management details of the projects in progress and the procedure of capitalisation, including interest capitalisation if any.</li> <li>We reviewed the management's procedure to review the periodic progress of the projects and corresponding running bills submitted by the contractors.</li> <li>We verified the invoices of the CWIP on sample basis as per applicable terms and conditions.</li> <li>We verified the payments made by the accounts department, based on the approval by the proper authorities and other terms and conditions.</li> <li>Discussion of audit observations with the management/accounts and finance team for clarification as and when required</li> </ol> |

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's Annual Report including Annexures thereto, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

### Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS, specified under Section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, and based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as at March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2024 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 B". 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations as on March 31, 2024 on its financial position in its financial statements. (Refer note no. 32)
- (ii) The Company does not have any long-term contracts including derivatives 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.

h) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate), other than disclosed in notes to the financial statements, have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i) The Company has not declared nor proposed or paid any dividends during the year and therefore compliance under section 123 of the Act is not applicable to the Company.

j) With respect to the other matters 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 by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

k) Based on our examination which included test checks, the company has used an accounting software (Bizsol ERP) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the said software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

**For R Kabra & Co. LLP**  
**Chartered Accountants**

Firm Registration No. 104502W/W100721

**Sd/-**

**Ram S Verma**

Partner

**Membership No.:** 038913

**UDIN:** 24038913BKFXFU3458

Place: Hyderabad

Date: May 17, 2024

## ANNEXURE “A”

### TO THE INDEPENDENT AUDITOR’S REPORT

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

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

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
    - a. A. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - B. The Company is maintaining proper records showing full particulars of intangible assets.
  - b. The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification and therefore no adjustments are required to be made in the books of account.
  - c. As per the information and explanations given to us and on the basis of examination of records of the company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d. The Company has not revalued any of its Property, Plant and Equipment (Including right of use assets) nor intangible assets during the year. Therefore no comments are called for in respect of whether the revaluation is based on the valuation by a registered valuer and if any adjustment is required for more than 10% or more in the net carrying value of each class of the assets.
  - e. As per the information and explanations given to us, no proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988, as amended) and rules made thereunder.
- ii. a. The physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the

management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification

- b. As per the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. In respect of loans, advances in the nature of loans, guarantee and security provided during the year:
    - a. The Company has not provided any loans stood guarantee, nor provided security to any other entity during the year. However, the company has given advances in the nature of loans to employees.
      - A) Since the Company does not have any subsidiaries, joint ventures and associates, Clause 3(iii)(a)(A) of the Order is not applicable.
      - B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to Advances in the nature of loans given to employees are as under:

(₹in lakhs )

| Particulars   | The aggregate amount granted during the year | Balance Outstanding as at March 31, 2024 |
|---|--|--|
| Advances in the nature of Loans - Employee Advances | 63.46  | 51.01                                    |

The company has not granted any loans nor stood any guarantee or provided security to parties other than subsidiaries, joint ventures and associates during the year.

- b. The Company has not made any investments, nor given any loans, provided any guarantees or security during the year. In respect of the advances in the nature of loans given to employees, in our opinion, the terms and conditions are not prejudicial to the company’s interest.

- c. As stated above, the company has not given any loans during the year. In respect of advances in the nature of loans given to employees, where the schedule of repayment /receipts are stipulated, the repayment/receipts are regular.
- d. In our opinion and according to the information and explanations given to us, no amount is overdue for repayment. Therefore, clause 3(iii) (d) is not applicable to the company.
- e. As per the information and explanations given to us, and based on our audit of the records, the Company has not granted any loans during the year. No cases were observed where any advance in the nature of loan granted to employees has fallen due during the year, or which has been renewed or extended or fresh loans granted by the company to settle the overdues of existing advances to such parties . Therefore, clause 3(iii)(e) of the Order is not applicable.
- f. The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. The Company has not granted any loans nor made any investments or given any guarantees and securities during the year. Accordingly, provisions of sections 185 and 186 are not applicable. Hence clause 3(iv) of the Order is not applicable.
- v. As per the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, clause 3(v) of the Order is not applicable.
- vi. In our opinion and according to the information an explanation given to us, the Company has maintained cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. However, we have not carried out a detailed examination of the above records.
- vii. In respect of statutory dues:
- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities. The company is not liable to sales tax, service tax, duty of excise , value added tax and cess . There are no arrears of outstanding statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable except the following which is outstanding since February/ March 2020.

₹in Lakhs

| Name of the statute                  | Name of the Dues               | Outstanding statutory due amount (Undisputed) | Period to which the amount relates | Due Date     | Date of Payment | Remarks if any   |
|--------------------------------------|--------------------------------|---|------------------------------------|--------------|-----------------|--|
| Employee's State Insurance Act, 1948 | Employee State Insurance dues. | 0.30  | February, 2020 & March, 2020       | May 15, 2020 | -               | Due to technical problems at ESI Department, the Company has not been able to pay. |

- b. In our opinion and as per the information and explanations given to us, statutory dues referred to in clause (a) above which have not been deposited on account of any dispute, are as under :

₹in Lakhs

| Name of the Statute                      | Nature of due | Amount | Amount paid | Period for which the amount related | Forum where the dispute is pending             |
|--|---------------|--------|-------------|-------------------------------------|--|
| Income Tax Act, 1961                     | Income Tax    | *35.05 | 29.04       | A.Y 2009-10                         | Income Tax Appellate Tribunal (ITAT) Hyderabad |
|  |               | 555.50 | 83.33       | A.Y 2017-18                         | CIT (Appeals)                                  |
|  |               | 2.16   | Nil         | A.Y 2019-20                         | CIT (Appeals)                                  |
| Central Goods and Services Tax Act, 2017 | GST           | 19.71  | 2.02        | F.Y 2017-18                         | GST Appellate Authority                        |

\*The honourable ITAT has decided the appeal in company's favour by dropping the disputed demand of Rs.35.05 Lakhs as per its order **I.T.A No. 1775/HYD/2014** dated October 5, 2016. However, appellate order effect is yet to be given by the income tax department.

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

meet the obligations of its subsidiaries does not arise. Therefore, clause 3(ix)(e) of the Order is not applicable.

- Since the Company does not have any subsidiaries, joint ventures or associate companies, the question of raising any loan on the pledge of securities held in their name does not arise. Therefore, clause 3(ix)(f) of the Order is not applicable.
- ix. (a) The Company has not raised any moneys by way of initial public offer or future public offer (including debt instruments) during the year. Therefore, clause 3(x)(a) of the Order is not applicable.
- As per the information and explanations given to us, the company has made private placement of shares during the year and complied with the requirements of section 42 of the Companies Act, 2013, as applicable. The funds raised have been utilised for the purpose for which these funds were raised except the following amounts lying in the current bank account

(Escrow account) as at the year end. The details of the money raised are as under :

(₹ in lakhs)

| Nature of Securities viz. Equity shares/ Preference shares/ Convertible debentures | Purpose for which funds were raised | Total Amount Raised | Amount utilized for the other purpose | Unutilized balance as at balance sheet date |
|--|-------------------------------------|---------------------|---------------------------------------|---|
| Equity share warrants  | Working Capital                     | 13510.69            | Nil                                   | 3026.91                                     |

The Company has not issued any Convertible debentures (fully, partially or optionally convertible) during the year under section 62.

- No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
  - No report under sub-section (12) of section 143 of the Act has been filed by the Auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year upto the date of this report.
  - As per the information and explanations given to us, since there were no whistle blower complaints received by the Company during the year, reporting under clause 3(xii) of the Order is not applicable to the Company.
- The Company is not a Nidhi Company. Therefore, clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.
- In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act,

2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business. However it requires to be strengthened further.
  - We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date. However, we have not reassessed or modified our audit procedures in determining the nature, timing and extent of our audit based on these internal audit reports.
- In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- In our opinion, the Company is not required to be registered under section 45-IA of the



Reserve Bank of India Act, 1934. Hence, clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable.

- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the question of conducting the above activities without a valid Certificate of Registration does not arise.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the condition of fulfilling the criteria for CIC is not applicable. The Company is neither an exempted nor an unregistered CIC and therefore the continuing the criteria of a CIC, by the Company are not applicable.
- d) As per the information and explanations given to us, since the Company is not a Core Investment Company, the Group does not have any CIC investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly clause 3(xvi)(d) of the Order is not applicable.
- (i) The Company has not incurred cash losses during the financial year and the also during the immediately preceding financial year.
- (j) There has been no resignation of the statutory auditors of the Company during the year. Therefore, the question of taking into consideration any of issues, objections or concerns raised by the outgoing auditors does not arise. Accordingly, clause 3(xviii) of the Order is not applicable.
- (k) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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

- (l) a) As per the information and explanations given to us, since the Company does not have any other than ongoing projects, no unspent amount is required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- b) In our opinion, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (m) Since the company is not a holding company, the clause 3(xxi) of the Order is not applicable.

**For R Kabra & Co. LLP**

**Chartered Accountants**

Firm Registration No: 104502W/W100721

**Sd/-**

**Ram S Verma**

Partner

**Membership No: 038913**

**UDIN: 24038913BKFXFU3458**

Place: Hyderabad

Date: May 17, 2024

## ANNEXURE “B”

### TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF HARIOM PIPE INDUSTRIES LIMITED

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

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

We have audited the internal financial controls over financial reporting of HARIOM PIPE INDUSTRIES LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For R Kabra & Co. LLP**

**Chartered Accountants**

Firm Registration No: 104502W/W100721

**Sd/-**

**Ram S Verma**

Partner

**Membership No.:** 038913

**UDIN:** 24038913BKFXFU3458

Place: Hyderabad

Date: May 17, 2024

# Balance Sheet

As At March 31, 2024

(Rs. in Lakhs)

| Particulars   | Note No. | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|----------|-------------------------|-------------------------|
| <b>ASSETS</b>   |          |                         |                         |
| <b>Non-current assets</b>   |          |                         |                         |
| (a) Property, plant and equipment   | 2(a)     | 36,505.41               | 13,324.79               |
| (b) Capital work-in-progress  | 2(b)     | 1,314.31                | 10,318.72               |
| (c) Right of use assets   | 2(c)     | 112.65                  | 123.30                  |
| (d) Intangible Assets   | 2(d)     | 4.21                    | 4.67                    |
| (e) Financial Assets  |          |                         |                         |
| (i) Other financial assets  | 3        | 1,303.78                | 95.52                   |
| (f) Other non-current assets  | 4        | 625.12                  | 4,085.33                |
| <b>Total Non Current Assets</b>   |          | <b>39,865.48</b>        | <b>27,952.33</b>        |
| <b>Current assets</b>   |          |                         |                         |
| (a) Inventories   | 5        | 29,653.98               | 21,217.31               |
| (b) Financial assets  |          |                         |                         |
| (i) Trade receivables   | 6        | 12,207.31               | 8,611.68                |
| (ii) Cash and cash equivalents  | 7(a)     | 177.97                  | 10,404.27               |
| (iii) Bank balances other than (ii) above   | 7(b)     | 3,001.00                | 68.13                   |
| (iv) Other financial assets   | 8        | 230.34                  | 14.62                   |
| (c) Other current assets  | 9        | 2,888.15                | 2,650.11                |
| <b>Total Current Assets</b>   |          | <b>48,158.75</b>        | <b>42,966.12</b>        |
| <b>Total Assets</b>   |          | <b>88,024.24</b>        | <b>70,918.45</b>        |
| <b>EQUITY AND LIABILITIES</b>   |          |                         |                         |
| <b>Equity</b>   |          |                         |                         |
| (a) Equity share capital  | 10       | 2,886.51                | 2,761.56                |
| (b) Other equity  | 11       | 43,525.24               | 34,755.10               |
| <b>Total Equity</b>   |          | <b>46,411.75</b>        | <b>37,516.66</b>        |
| <b>LIABILITIES</b>  |          |                         |                         |
| <b>Non-current liabilities</b>  |          |                         |                         |
| (a) Financial liabilities   |          |                         |                         |
| (i) Borrowings  | 12       | 11,970.82               | 12,519.40               |
| (ia) Lease liabilities  | 2(c)     | 117.03                  | 121.74                  |
| (b) Provisions  | 13       | 44.33                   | 33.16                   |
| (c) Deferred tax liabilities (Net)  | 14       | 823.64                  | 424.30                  |
| <b>Total Non Current Liabilities</b>  |          | <b>12,955.82</b>        | <b>13,098.60</b>        |
| <b>Current liabilities</b>  |          |                         |                         |
| (a) Financial Liabilities   |          |                         |                         |
| (i) Borrowings  | 15       | 25,117.72               | 17,082.41               |
| (ia) Lease liabilities  | 2(c)     | 4.71                    | 4.31                    |
| (ii) Trade payables   | 16       |                         |                         |
| (A) total outstanding dues of micro enterprises and small enterprises; and                  |          | 97.47                   | -                       |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. |          | 1,793.33                | 1,631.31                |
| (iii) Other financials liabilities  | 17       | 1,059.53                | 874.93                  |
| (b) Other current liabilities   | 18       | 283.10                  | 263.18                  |
| (c) Provisions  | 19       | 5.00                    | 5.15                    |
| (d) Current tax liabilities (Net)   | 20       | 295.79                  | 441.89                  |
| <b>Total Current Liabilities</b>  |          | <b>28,656.66</b>        | <b>20,303.18</b>        |
| <b>Total Equity and Liabilities</b>   |          | <b>88,024.24</b>        | <b>70,918.45</b>        |
| Material accounting policies and notes to accounts  | 1 to 52  |                         |                         |

As per our report of even date annexed hereto.

**FOR R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

**Ram S Verma**

(Partner)

Membership No: 038913

UDIN : 24038913BKFXFU3458

Place : Hyderabad

Date : May 17, 2024

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

Sd/-

**Rupesh Kumar Gupta**

(Managing Director)

DIN 00540787

Sd/-

**Amitabha Bhattacharya**

Chief Financial Officer

Place: Hyderabad

Date : May 17, 2024

Sd/-

**Sailesh Gupta**

(Whole Time Director)

DIN 00540862

Sd/-

**Rekha Singh**

Company Secretary

Membership No: A33986

# Statement of profit and loss

for the year ended March 31, 2024

(Rs. in Lakhs)

|      | Particulars  | Note No. | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|------|--|----------|--------------------------------------|--------------------------------------|
| I    | Revenue from operations  | 21       | 1,15,318.77                          | 64,371.21                            |
| II   | Other income   | 22       | 519.71                               | 74.82                                |
| III  | <b>Total Income (I+II)</b>   |          | <b>1,15,838.47</b>                   | <b>64,446.03</b>                     |
| IV   | <b>EXPENSES</b>  |          |                                      |                                      |
|      | Cost of materials consumed   | 23       | 94,641.61                            | 49,472.02                            |
|      | Purchase Stock in Trade  |          | 1,583.99                             | -                                    |
|      | Changes in inventories of finished goods, stock-in-trade and work-in-progress            | 24       | (7,594.51)                           | (3,166.98)                           |
|      | Employee benefits expense  | 25       | 4,467.89                             | 2,248.97                             |
|      | Finance costs  | 26       | 3,256.32                             | 1,038.04                             |
|      | Depreciation and amortization expenses   | 2        | 3,386.58                             | 942.45                               |
|      | Power and fuel   |          | 6,902.96                             | 6,735.34                             |
|      | Other expenses   | 27       | 1,457.39                             | 893.53                               |
|      | <b>Total expenses (IV)</b>   |          | <b>1,08,102.23</b>                   | <b>58,163.37</b>                     |
| V    | <b>Profit before tax (III-IV)</b>  |          | <b>7,736.25</b>                      | <b>6,282.66</b>                      |
| VI   | <b>Tax expense:</b>  | 28       |                                      |                                      |
|      | (1) Current tax  |          | 1,605.81                             | 1,497.21                             |
|      | (2) Deferred tax   |          | 397.97                               | 105.72                               |
|      | (3) Tax related to earlier tax period  |          | 52.52                                | 58.93                                |
|      | <b>Total Tax Expense (VI)</b>  |          | <b>2,056.30</b>                      | <b>1,661.86</b>                      |
| VII  | <b>Profit for the period from continuing operations (V-VI)</b>                           |          | <b>5,679.95</b>                      | <b>4,620.80</b>                      |
| VIII | Profit/(loss) from discontinued operations   |          | -                                    | -                                    |
| IX   | Tax expenses of discontinued operations  |          | -                                    | -                                    |
| X    | <b>Profit from Discontinued operations (after tax) (VIII-IX)</b>                         |          | <b>-</b>                             | <b>-</b>                             |
| XI   | <b>Profit for the period (VII+X)</b>   |          | <b>5,679.95</b>                      | <b>4,620.80</b>                      |
| XII  | <b>Other Comprehensive Income</b>  |          |                                      |                                      |
|      | A. (i) Items that will not be reclassified to profit or loss                             |          |                                      |                                      |
|      | Remeasurements of post employment benefit obligation                                     |          | (5.44)                               | (14.47)                              |
|      | Income tax relating to items that will not be reclassified to profit or loss             |          | 1.37                                 | 3.64                                 |
|      | B. (i) Items that will be reclassified to profit or loss                                 |          |                                      |                                      |
|      | (ii) Income tax relating to items that will be reclassified to profit or loss            |          |                                      |                                      |
| XIII | <b>Total Comprehensive Income for the Year (XI+XII)</b>                                  |          | <b>5,684.02</b>                      | <b>4,631.63</b>                      |
| XIV  | <b>Earnings per equity share (Face Value of Rs. 10 Each) (for continuing operation):</b> | 29       |                                      |                                      |
|      | (1) Basic  |          | 20.34                                | 18.30                                |
|      | (2) Diluted  |          | 18.34                                | 18.29                                |
|      | Material accounting policies and notes to accounts                                       | 1 to 52  |                                      |                                      |

As per our report of even date annexed hereto.

**FOR R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

**Ram S Verma**

(Partner)

Membership No: 038913

UDIN : 24038913BKFXFU3458

Place : Hyderabad

Date : May 17, 2024

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

Sd/-

**Rupesh Kumar Gupta**

(Managing Director)

DIN 00540787

Sd/-

**Amitabha Bhattacharya**

Chief Financial Officer

Place: Hyderabad

Date : May 17, 2024

Sd/-

**Sailesh Gupta**

(Whole Time Director)

DIN 00540862

Sd/-

**Rekha Singh**

Company Secretary

Membership No: A33986



# Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity Share Capital

As at March 31, 2024

(Rs. in Lakhs)

| Opening balance as at April 1, 2023 |          | Changes in Equity Share Capital due to prior period errors |        | Restated balance as at April 1, 2023 |          | Changes in equity share capital during the current period |        | Balance as at March 31, 2024 |          |
|-------------------------------------|----------|--|--------|--------------------------------------|----------|---|--------|------------------------------|----------|
| No. of Shares                       | Amount   | No. of Shares  | Amount | No. of Shares                        | Amount   | No. of Shares   | Amount | No. of Shares                | Amount   |
| 2,76,15,629                         | 2,761.56 | -  | -      | 2,76,15,629                          | 2,761.56 | 12,49,497   | 124.95 | 2,88,65,126                  | 2,886.51 |

| Opening balance as at April 1, 2022 |          | Changes in Equity Share Capital due to prior period errors |        | Restated balance as at April 1, 2022 |          | Changes in equity share capital during the current period |          | Balance as at March 31, 2023 |          |
|-------------------------------------|----------|--|--------|--------------------------------------|----------|---|----------|------------------------------|----------|
| No. of Shares                       | Amount   | No. of Shares  | Amount | No. of Shares                        | Amount   | No. of Shares   | Amount   | No. of Shares                | Amount   |
| 1,69,76,204                         | 1,697.62 | -  | -      | 1,69,76,204                          | 1,697.62 | 1,06,39,425   | 1,063.94 | 2,76,15,629                  | 2,761.56 |

## B. Other Equity

(1) For the year ended March 31, 2024

(Rs. in Lakhs)

| Particulars  | Share Application Money pending Allotment | Equity component of compound financial instruments | Capital Redemption Reserves | Reserves and surplus |                   | Money received against Share Warrants | Total            |
|--|---|--|-----------------------------|----------------------|-------------------|---------------------------------------|------------------|
|  |   |  |                             | Securities premium   | Retained Earnings |                                       |                  |
| Balance as at April 1, 2023  | 15.09                                     | 84.19  | 36.62                       | 20,103.09            | 11,628.36         | 2,887.76                              | 34,755.10        |
| Changes in accounting policy/prior period errors                         | -   | -  | -                           | -                    | -                 | -                                     | -                |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>15.09</b>                              | <b>84.19</b>                                       | <b>36.62</b>                | <b>20,103.09</b>     | <b>11,628.36</b>  | <b>2,887.76</b>                       | <b>34,755.10</b> |
| Additions during the year:   |   |  |                             |                      |                   |                                       |                  |
| (a) Total Comprehensive Income for the year                              | -   | -  | -                           | -                    | 5,684.02          | -                                     | 5,684.02         |
| (b) Premium on issue of equity shares                                    | -   | -  | -                           | 9.21                 | -                 | -                                     | 9.21             |
| (c) Premium on Conversion of Warrants to equity shares                   | -   | -  | -                           | 4,176.60             | -                 | -                                     | 4,176.60         |
| (d) Share issue expenses   | -   | -  | -                           | -15.75               | -                 | -                                     | -15.75           |
| (e) Share Application Money pending Allotment (Equities and Warrants)    | -15.09                                    | -  | -                           | -                    | -                 | -                                     | -15.09           |
| (f) Money Received Against Share Warrants (refer note 11.2)              | -   | -  | -                           | -                    | -                 | 3,232.43                              | 3,232.43         |
| (g) Share Warrants converted into equity Shares (refer note 11.2)        | -   | -  | -                           | -                    | -                 | -4,301.28                             | -4,301.28        |
|  | <b>-15.09</b>                             | <b>-</b>   | <b>-</b>                    | <b>4,170.06</b>      | <b>5,684.02</b>   | <b>-1,068.85</b>                      | <b>8,770.14</b>  |
| <b>Balance as at March 31, 2024</b>                                      | <b>0.00</b>                               | <b>84.19</b>                                       | <b>36.62</b>                | <b>24,273.15</b>     | <b>17,312.37</b>  | <b>1,818.91</b>                       | <b>43,525.24</b> |

# Statement of Changes in Equity

for the year ended March 31, 2024

(2) For the year ended March 31, 2023

(Rs. in Lakhs)

| Particulars  | Share Application Money pending Allotment | Equity component of compound financial instruments | Capital Redemption Reserves | Reserves and surplus |                   | Money received against Share Warrants | Total            |
|--|---|--|-----------------------------|----------------------|-------------------|---------------------------------------|------------------|
|  |   |  |                             | Securities premium   | Retained Earnings |                                       |                  |
| Balance as at April 1, 2022  | -   | 94.64  | -                           | 1,286.52             | 7,022.89          | -                                     | 8,404.05         |
| Changes in accounting policy/prior period errors                         | -   | -  | -                           | -                    | -                 | -                                     | -                |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>-</b>                                  | <b>94.64</b>                                       | <b>-</b>                    | <b>1,286.52</b>      | <b>7,022.89</b>   | <b>-</b>                              | <b>8,404.05</b>  |
| Additions during the year:   |   |  |                             |                      |                   |                                       |                  |
| (a) Total Comprehensive Income for the year                              | -   | -  | -                           | -                    | 4,631.63          | -                                     | 4,631.63         |
| (b) Premium on issue of shares   | -   | -  | -                           | 19,303.81            | -                 | -                                     | 19,303.81        |
| (c) Share issue expenses   | -   | -  | -                           | -487.24              | -                 | -                                     | -487.24          |
| (d) CRR Created on redemption of Preference Share Capital                | -   | -  | 36.62                       | -                    | -36.62            | -                                     | -                |
| (e) Equity Component transferred to Retained Earnings                    | -   | -10.45   | -                           | -                    | 10.45             | -                                     | -                |
| (f) Share Application Money pending Allotment (Equities and Warrants)    | 15.09                                     | -  | -                           | -                    | -                 | -                                     | 15.09            |
| (g) Money Received Against Share Warrants                                | -   | -  | -                           | -                    | -                 | 2,887.76                              | 2,887.76         |
|  | <b>15.09</b>                              | <b>-10.45</b>                                      | <b>36.62</b>                | <b>18,816.57</b>     | <b>4,605.46</b>   | <b>2,887.76</b>                       | <b>26,351.05</b> |
| <b>Balance as at March 31, 2023</b>                                      | <b>15.09</b>                              | <b>84.19</b>                                       | <b>36.62</b>                | <b>20,103.09</b>     | <b>11,628.36</b>  | <b>2,887.76</b>                       | <b>34,755.10</b> |

Description of the purposes of each reserves within equity (Refer note no. 11.1 to 11.3)

As per our report of even date annexed hereto.

**FOR R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

**Ram S Verma**

(Partner)

Membership No: 038913

UDIN : 24038913BKFXFU3458

Place : Hyderabad

Date : May 17, 2024

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

Sd/-

**Rupesh Kumar Gupta**

(Managing Director)

DIN 00540787

Sd/-

**Amitabha Bhattacharya**

Chief Financial Officer

Place: Hyderabad

Date : May 17, 2024

Sd/-

**Sailesh Gupta**

(Whole Time Director)

DIN 00540862

Sd/-

**Rekha Singh**

Company Secretary

Membership No: A33986

# Statement of Cash Flows

for the year ended March 31, 2024

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                                      |                                      |
| Net Profit/(Loss) before tax for the year                            | 7,736.25                             | 6,282.66                             |
| Adjustments for:   |                                      |                                      |
| Interest income  | (383.18)                             | (74.17)                              |
| Profit on sale of Property, Plant and Equipment                      | (7.19)                               | (0.55)                               |
| Depreciation and amortization expenses                               | 3,386.58                             | 942.45                               |
| Finance Charges other than interest on CFI                           | 3,247.68                             | 1,006.69                             |
| Interest on CFI  | 8.64                                 | 8.54                                 |
| Loss on Early Redemption of Compound Financial Instrument            | -                                    | 22.82                                |
| <b>Operating profit before working capital changes</b>               | <b>13,988.78</b>                     | <b>8,188.44</b>                      |
| <b>Movement in working capital:</b>                                  |                                      |                                      |
| (Increase)/Decrease Trade & other receivables                        | (3,732.60)                           | (7,780.40)                           |
| (Increase)/Decrease Inventories                                      | (8,436.67)                           | (9,738.31)                           |
| Increase/(Decrease) Trade payables & other liabilities               | 480.47                               | 1,046.47                             |
| <b>Cash Generated From Movement in working capital</b>               | <b>(11,688.80)</b>                   | <b>(16,472.24)</b>                   |
| Less: Income taxes paid  | (1,804.43)                           | (1,773.03)                           |
| <b>Net cash flow From Operating Activities (A)</b>                   | <b>495.54</b>                        | <b>(10,056.84)</b>                   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                                      |                                      |
| Purchase of Property, Plant & Equipment (Including Capital Advances) | (23,129.59)                          | (12,908.46)                          |
| Sale of Property, Plant & Equipment                                  | 19.50                                | 9.00                                 |
| (Increase)/ decrease in Capital-work-in progress                     | 9,004.41                             | (9,312.70)                           |
| Purchase of Intangible Assets  | (3.19)                               | (3.48)                               |
| (Increase) / decrease in deposits                                    | (4,197.36)                           | (30.00)                              |
| (Increase) / decrease in Other non-current assets                    | -                                    | 27.87                                |
| Interest received  | 147.21                               | 65.89                                |
| <b>Net cash flow used in Investing Activities - (B)</b>              | <b>(18,159.02)</b>                   | <b>(22,151.88)</b>                   |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                                      |                                      |
| Proceeds from Equity Shares (Refer Note 10.5)                        | 0.03                                 | 1,063.94                             |
| Proceeds from issue of Share Warrants                                | 3,225.96                             | 2,887.76                             |
| Share Application Money pending allotment                            | -                                    | 15.09                                |
| Redemption of Preference Shares                                      | -                                    | (36.62)                              |
| Securities premium on issue of shares (Refer Note 11.2)              | 0.84                                 | 19,303.81                            |
| Issue Expenses amortised with securities premium                     | (15.75)                              | (487.24)                             |
| Long term borrowings - Term loans from banks and others              | 1,753.26                             | 11,625.79                            |
| Repayment of long term borrowings - Term loans from banks and others | (1,654.01)                           | (1,212.12)                           |
| Proceed/(Repayment) in Other Borrowings                              | 24.81                                | (151.67)                             |

# Statement of Cash Flows

for the year ended March 31, 2024

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Proceed/(Repayment) in short term borrowings - working capital loans | 7,322.80                             | 10,732.35                            |
| Finance Charges other than interest on CFI                           | (3,220.76)                           | (1,135.35)                           |
| <b>Net cash flow from Financing Activities (C)</b>                   | <b>7,437.18</b>                      | <b>42,605.74</b>                     |
| Net increase/ (decrease) in Cash & cash equivalents (A+B+C)          | (10,226.30)                          | 10,397.02                            |
| Opening Balances of Cash and cash equivalents                        | 10,404.27                            | 7.25                                 |
| <b>Closing Balances of Cash and cash equivalents</b>                 | <b>177.97</b>                        | <b>10,404.27</b>                     |

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

2 Components of cash and cash equivalents

|  |               |                  |
|--|---------------|------------------|
| Cash on Hand   | 23.64         | 17.46            |
| Balance with Banks:                                      |               |                  |
| On Current Accounts                                      | 154.34        | 10,386.81        |
| <b>Total cash and cash equivalents (refer note 7(a))</b> | <b>177.97</b> | <b>10,404.27</b> |

3 The balance includes Rs. NIL (previous Year Rs.7,389.64 Lakhs) received against issue of equity shares on private placement basis and Rs.0.45 Lakhs (previous year Rs 2,894.21 Lakhs) against issue of share warrants in Escrow Account

4 Previous year figures have been regrouped/reclassified wherever considered necessary

As per our report of even date annexed hereto.

**FOR R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

**Ram S Verma**

(Partner)

Membership No: 038913

UDIN : 24038913BKFXFU3458

On behalf of the Board

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Sd/-

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(Managing Director)

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Sd/-

**Sailesh Gupta**

(Whole Time Director)

DIN 00540862

Sd/-

**Rekha Singh**

Company Secretary

Membership No: A33986

Place : Hyderabad

Date : May 17, 2024

Place: Hyderabad

Date : May 17, 2024

## Notes to financial statements

for the year ended March 31, 2024

### COMPANY BACKGROUND:

Hariom Pipe Industries Limited, established in 2007, is a prominent manufacturer of high-quality steel products in India, including mild steel (MS) pipes, scaffolding, Galvanized Pipes/Coil and Cold Roll Pipes/Coil. Our integrated operations, from producing raw materials like sponge iron and billets to final products, ensure stringent quality control and cost efficiency.

Our state-of-the-art facilities and robust distribution network across south India allow us to meet the diverse needs of sectors such as construction and infrastructure. At Hariom Pipe Industries, we prioritize customer satisfaction and are dedicated to innovation and excellence, continuously expanding our product range and enhancing production capabilities to support India's infrastructure development.

The Company has four manufacturing units situated as under:

- a) Works 3-45/1, Sy.No.62 & 63, Sheriguda Paddayapally (G.P.) Balanagar Mahbubnagar, Telangana
- b) Survey number 98, D Hirehal Village, Ananthapur, Andhra Pradesh.
- c) Plot No. B-15 to B-28, SIPCOT INDL, Growth Centre, Perundurai Erode, Tamil Nadu.
- d) Sy.No.39, Sheriguda Paddayapally (G.P.) Balanagar Mahbubnagar, Telangana

The Company is listed on Bombay stock Exchange (BSE) (BSE scrip code-543517) and National Stock Exchange (NSE) (NSE symbol- HARIOMPIPE) from April 13, 2022.

### 1. MATERIAL ACCOUNTING POLICIES

#### (a) Statement of compliance:

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, issued by Ministry of Corporate Affairs under section 133 of the Companies Act 2013 ("the Act"). In addition, the Guidance Notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) from time to time are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at their meeting held on May 17, 2024.

#### (b) Basis of preparation:

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

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

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

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

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

#### (c) Presentation of Financial Statements

The Ind AS Balance Sheet, the Ind AS Statement of Profit and Loss and Ind AS statement of Change in Equity are prepared and presented in the format prescribed in the Schedule III Division (ii) to the Act. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of



## Notes to financial statements

for the year ended March 31, 2024

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

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

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

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

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

#### **Deferred income tax assets and liabilities:**

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

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

#### **Income Taxes:**

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

tax charges in the Statement of Profit or Loss.

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

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

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

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

#### **Defined benefit plans:**

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

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

The Company recognizes separately the components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. From the perspective of the Company, such an instrument comprises two components: a financial liability (a contractual arrangement to deliver cash or another financial asset) and an equity instrument (a call option granting the holder the right, for a specified period of time, to convert it into a fixed number of ordinary shares

## Notes to financial statements

for the year ended March 31, 2024

of the entity).

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

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

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

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

#### Assets:

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

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

it is held primarily for the purpose of being traded;

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

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

#### Liabilities:

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

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

it is held primarily for the purpose of being traded;

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

the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

### (f) Functional and presentation currency:

The financial statements are presented in Indian rupee (INR) (rounded off to Rs. In lakhs), which is functional and presentation currency.

### (g) Revenue recognition:

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (Net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of Variable consideration on account of.

#### (i) Sale of goods:

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

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

The Company accounts for variable considerations like, volume discounts,

## Notes to financial statements

for the year ended March 31, 2024

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

### (ii) Other income

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

### (h) Foreign currency translation:

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

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

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

### (i) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete

financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

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

### (j) Exceptional items:

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

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

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

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

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

Land acquired on lease for period exceeding 90 years is recognized as leasehold land at the cost, at the time of lease commencement. Any initial direct cost related to acquiring leasehold land (including expenses incurred to bring the

## Notes to financial statements

for the year ended March 31, 2024

land into use) are capitalized and included in the cost of asset. The policy is based on the understanding that leasehold land is generally considered to have an extended economic life and does not experience a significant decline in value over the lease terms. Leasehold land will not be subject to depreciation

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

Any excess of net sale proceeds of items produced over the cost of testing, if any, is deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

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

### Capital work-in-progress:

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

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

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

### (l) Intangible assets

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

cost of the intangible assets.

### Research and development expenditure on new products:

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

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

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

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

### (m) Impairment of assets:

At each balance sheet date, the Company reviews the carrying values of its property,

## Notes to financial statements

for the year ended March 31, 2024

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

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

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

### (n) Employee benefits:

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

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

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

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided

by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

### (iii) Post-employment obligations:

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

**Defined benefit plans:** For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by fair value of plan assets (being the funded portion).

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

### (o) Lease

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use



## Notes to financial statements

for the year ended March 31, 2024

of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise

an extension or a termination option.

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

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

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

#### A. Investments and other financial assets

##### (i) Classification:

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

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

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

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

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

Debt instruments:

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

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

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

##### (ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the

## Notes to financial statements

for the year ended March 31, 2024

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

Debt instruments:

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

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

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

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss

and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

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

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

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

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

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

## Notes to financial statements

for the year ended March 31, 2024

updated and changes in the forward-looking estimates are analysed.

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

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

(iv) Derecognition of financial assets:

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

### B. Financial Liabilities:

(a) Classification:

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

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

(b) Measurement:

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

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

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

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

#### **Financial liabilities measured at Amortized Cost:**

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

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

(c) De-recognition of financial liability:

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

## Notes to financial statements

for the year ended March 31, 2024

(d) **Compound financial instruments:**

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

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

**(q) Offsetting financial instruments:**

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

**(r) Inventories:**

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

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

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

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

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

**(t) Securities premium account:**

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

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

**(u) Borrowing costs:**

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

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

## Notes to financial statements

for the year ended March 31, 2024

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

### (v) Cash Flow Statement:

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

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

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

### (w) Income tax:

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

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

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future

taxable amounts will be available to utilize those temporary differences and losses. Minimum Alternate Tax (MAT) is not recognized as a deferred tax asset as the company is not liable for MAT tax.

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 realize the asset and settle the liability simultaneously.

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

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

### (x) Provisions:

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

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

In case of onerous contracts, the company recognizes the impairment losses if any, occurred on assets used in fulfilling the contract.

### (y) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare



## Notes to financial statements

for the year ended March 31, 2024

cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

### **(z) Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been adjusted prospectively, if appropriate.

### **(za) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of

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

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

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

## Notes to financial statements

for the year ended March 31, 2024

## Note no. 2(a):

## Property, plant and equipment (PPE)

As at March 31, 2024

(Rs. in Lakhs)

| Property, plant and equipment       | Gross carrying amount |                  |              | Accumulated Depreciation |                     |                 | Net carrying amount |                      |                      |
|-------------------------------------|-----------------------|------------------|--------------|--------------------------|---------------------|-----------------|---------------------|----------------------|----------------------|
|                                     | As at April 1, 2023   | Additions        | Deletions    | As at March 31, 2024     | As at April 1, 2023 | Additions       | Deletions           | As at March 31, 2024 | As at March 31, 2023 |
| (a) Land                            | 204.68                | 624.18           | -            | 828.87                   | -                   | -               | -                   | 828.87               | 204.68               |
| (b) Leasehold Land                  | 690.20                | -                | -            | 690.20                   | -                   | -               | -                   | 690.20               | 690.20               |
| (c) Buildings                       | 2,661.69              | 5,160.56         | -            | 7,822.25                 | 751.04              | 527.28          | -                   | 1,278.32             | 1,910.65             |
| <b>(d) Plant and Equipment:</b>     |                       |                  |              |                          |                     |                 |                     |                      |                      |
| Plant & machinery                   | 6,538.16              | 17,212.20        | -            | 23,750.36                | 1,142.73            | 1,587.50        | -                   | 2,730.23             | 5,395.43             |
| Pollution equipment's               | 432.28                | 628.20           | -            | 1,060.48                 | 62.71               | 103.16          | -                   | 165.87               | 369.57               |
| Tools components, spares and others | 3,890.87              | 1,064.47         | -            | 4,955.34                 | 1,618.63            | 363.52          | -                   | 1,982.15             | 2,272.24             |
| Rolls                               | 780.06                | 208.79           | -            | 988.86                   | 284.76              | 165.21          | -                   | 449.98               | 495.30               |
| Solar panels                        | 10.89                 | 1,045.86         | -            | 1,056.75                 | 1.48                | 57.99           | -                   | 59.46                | 9.41                 |
| (e) Furniture and Fixtures          | 51.59                 | 38.74            | -            | 90.33                    | 20.30               | 19.73           | -                   | 40.03                | 31.29                |
| (f) Vehicles                        | 463.30                | 186.92           | 41.06        | 609.16                   | 190.23              | 119.50          | 28.74               | 280.99               | 273.07               |
| (g) Office equipment's              | 45.54                 | 26.05            | -            | 71.59                    | 25.61               | 14.21           | -                   | 39.82                | 19.93                |
| (h) Electrical equipment's          | 2,739.89              | 350.92           | -            | 3,090.81                 | 1,100.17            | 407.76          | -                   | 1,507.93             | 1,639.72             |
| (i) Air conditioners                | 9.89                  | 8.59             | -            | 18.49                    | 5.31                | 1.80            | -                   | 7.12                 | 4.58                 |
| (j) Computers                       | 27.21                 | 11.31            | -            | 38.52                    | 18.48               | 6.21            | -                   | 24.69                | 8.73                 |
| <b>Total</b>                        | <b>18,546.25</b>      | <b>26,566.81</b> | <b>41.06</b> | <b>45,072.00</b>         | <b>5,221.46</b>     | <b>3,373.87</b> | <b>28.74</b>        | <b>8,566.59</b>      | <b>13,324.79</b>     |

As at March 31, 2023

(Rs. in Lakhs)

| Description                         | Gross carrying amount |                 |              | Accumulated Depreciation |                     |               | Net carrying amount |                      |                      |
|-------------------------------------|-----------------------|-----------------|--------------|--------------------------|---------------------|---------------|---------------------|----------------------|----------------------|
|                                     | As at April 1, 2022   | Additions       | Deletions    | As at March 31, 2023     | As at April 1, 2022 | Additions     | Deletions           | As at March 31, 2023 | As at March 31, 2022 |
| (a) Land                            | 204.68                | -               | -            | 204.68                   | -                   | -             | -                   | 204.68               | 204.68               |
| (b) Leasehold Land                  | -                     | 690.20          | -            | 690.20                   | -                   | -             | -                   | 690.20               | -                    |
| (c) Buildings                       | 1,849.14              | 812.55          | -            | 2,661.69                 | 605.82              | 145.22        | -                   | 751.04               | 1,243.32             |
| <b>(d) Plant and Equipment:</b>     |                       |                 |              |                          |                     |               |                     |                      |                      |
| Plant & machinery                   | 1,710.54              | 4,827.62        | -            | 6,538.16                 | 914.90              | 2,278.3       | -                   | 1,142.73             | 795.64               |
| Pollution equipment's               | 120.42                | 311.87          | -            | 432.28                   | 50.59               | 12.12         | -                   | 62.71                | 69.82                |
| Tools components, spares and others | 3,286.44              | 604.42          | -            | 3,890.87                 | 1,362.70            | 255.92        | -                   | 1,618.63             | 1,923.74             |
| Rolls                               | 437.73                | 342.33          | -            | 780.06                   | 223.63              | 61.14         | -                   | 284.76               | 214.10               |
| Solar panels                        | 3.75                  | 7.14            | -            | 10.89                    | 0.97                | 0.51          | -                   | 1.48                 | 2.78                 |
| (e) Furniture and Fixtures          | 21.22                 | 30.37           | -            | 51.59                    | 7.98                | 12.31         | -                   | 20.30                | 13.24                |
| (f) Vehicles                        | 247.16                | 252.55          | 36.41        | 463.30                   | 173.41              | 44.78         | 27.96               | 190.23               | 73.75                |
| (g) Office equipment's              | 29.47                 | 16.07           | -            | 45.54                    | 18.84               | 6.78          | -                   | 25.61                | 10.64                |
| (h) Electrical equipment's          | 1,727.80              | 1,012.09        | -            | 2,739.89                 | 939.19              | 160.98        | -                   | 1,100.17             | 788.61               |
| (i) Air conditioners                | 8.38                  | 1.51            | -            | 9.89                     | 3.19                | 2.13          | -                   | 5.31                 | 5.19                 |
| (j) Computers                       | 19.13                 | 8.08            | -            | 27.21                    | 13.23               | 5.25          | -                   | 18.48                | 8.73                 |
| <b>Total</b>                        | <b>9,665.86</b>       | <b>8,916.80</b> | <b>36.41</b> | <b>18,546.25</b>         | <b>4,314.45</b>     | <b>934.96</b> | <b>27.96</b>        | <b>5,221.46</b>      | <b>5,351.40</b>      |

## Notes to financial statements

for the year ended March 31, 2024

**2(a)(i):** All the Property, plant and equipment are secured as primary securities against secured loans and as collateral securities for working capital finance with the respective financiers (Refer Note 12 and 15).

### 2(b): CAPITAL WORK-IN-PROGRESS

As at March 31, 2024

(Rs. in Lakhs)

| Particulars                          | As at April 1, 2023 | Additions       | Disposal/ Adjustments | As at March 31, 2024 |
|--------------------------------------|---------------------|-----------------|-----------------------|----------------------|
| Buildings                            | 1,731.28            | 322.22          | 1,947.12              | 106.38               |
| Electrical equipments                | 1,160.61            | 141.28          | 1,254.74              | 47.16                |
| Plant & machinery                    | 6,265.44            | 910.65          | 6,413.55              | 762.54               |
| Pollution equipments                 | 608.20              | -               | 608.20                | -                    |
| Tools components , spares and others | 553.19              | 530.59          | 685.55                | 398.23               |
| <b>Total</b>                         | <b>10,318.72</b>    | <b>1,904.74</b> | <b>10,909.16</b>      | <b>1,314.31</b>      |

As at March 31, 2023

(Rs. in Lakhs)

| Particulars                          | As at April 1, 2022 | Additions        | Disposal/ Adjustments | As at March 31, 2023 |
|--------------------------------------|---------------------|------------------|-----------------------|----------------------|
| Buildings                            | 24.16               | 2,491.87         | 784.75                | 1,731.28             |
| Electrical equipments                | 185.55              | 1,429.89         | 454.83                | 1,160.61             |
| Plant & machinery                    | 106.42              | 9,089.41         | 2,930.39              | 6,265.44             |
| Pollution equipments                 | 60.49               | 608.20           | 60.49                 | 608.20               |
| Rolls                                | 189.45              | 102.88           | 292.33                | -                    |
| Tools components , spares and others | 439.94              | 656.72           | 543.47                | 553.19               |
| <b>Total</b>                         | <b>1,006.02</b>     | <b>14,378.96</b> | <b>5,066.26</b>       | <b>10,318.72</b>     |

**2(b)(i):** Capital work-in-progress includes borrowing cost capitalised during the year Rs. 184.97 Lakhs, (Previous year Rs. 169.50 Lakhs).

**2(b)(ii):** All the Capital work-in-progress are secured as primary securities against secured loans and as collateral securities for working capital finance with the respective financiers (Refer Note 12 and 15).

### 2(b)(ii): CWIP aging schedule

As at March 31, 2024

(Rs. in Lakhs)

| Capital Work in Progress       | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total    |
|--------------------------------|------------------|-----------|-----------|-------------------|----------|
| Projects in progress           | 1,314.31         | -         | -         | -                 | 1,314.31 |
| Projects temporarily suspended | -                | -         | -         | -                 | -        |

As at March 31, 2023

(Rs. in Lakhs)

| Capital Work in Progress       | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total     |
|--------------------------------|------------------|-----------|-----------|-------------------|-----------|
| Projects in progress           | 10,318.72        | -         | -         | -                 | 10,318.72 |
| Projects temporarily suspended | -                | -         | -         | -                 | -         |

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

## Notes to financial statements

for the year ended March 31, 2024

### 2(c) Right of use assets and lease liabilities

As at March 31, 2024

(Rs. in Lakhs)

| Particulars | Gross Block         |           |                      | Accumulated Depreciation |           |                      | Net Block            | Net Block            |
|-------------|---------------------|-----------|----------------------|--------------------------|-----------|----------------------|----------------------|----------------------|
|             | As at April 1, 2023 | Additions | As at March 31, 2024 | As at April 1, 2023      | Additions | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Building    | 127.73              | -         | 127.73               | 4.44                     | 10.64     | 15.08                | 112.65               | 123.30               |
| Total       | 127.73              | -         | 127.73               | 4.44                     | 10.64     | 15.08                | 112.65               | 123.30               |

As at March 31, 2023

(Rs. in Lakhs)

| Particulars | Gross Block         |           |                      | Accumulated Depreciation |           |                      | Net Block            | Net Block            |
|-------------|---------------------|-----------|----------------------|--------------------------|-----------|----------------------|----------------------|----------------------|
|             | As at April 1, 2022 | Additions | As at March 31, 2023 | As at April 1, 2023      | Additions | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Building    | -                   | 127.73    | 127.73               | -                        | 4.44      | 4.44                 | 123.30               | -                    |
| Total       | -                   | 127.73    | 127.73               | -                        | 4.44      | 4.44                 | 123.30               | -                    |

(i) ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

(ii) Above ROU assets have been pledged as security for term loans. (Refer Note 12 and 15).

(iii) The Break-up of current and non-current lease liabilities is as under:

(Rs. in Lakhs)

| Particulars                 | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|----------------------|----------------------|
| Current lease liability     | 4.71                 | 4.31                 |
| Non-current lease liability | 117.03               | 121.74               |
| <b>Total</b>                | <b>121.74</b>        | <b>126.05</b>        |

(iv) The Movement in lease liabilities during the year is as follows:

(Rs. in Lakhs)

| Particulars                            | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Opening Balance at the April, 01       | 126.05               | -                    |
| Additions                              | -                    | 127.73               |
| Finance cost accrued during the year   | 11.29                | 4.82                 |
| Payment of lease liabilities           | (15.60)              | (6.50)               |
| <b>Closing Balance as at March, 31</b> | <b>121.74</b>        | <b>126.05</b>        |

(v) The Details regarding the contractual maturities of lease liabilities on an undiscounted basis is as follows :

| Particulars          | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|----------------------|
| Less than one year   | 15.60                | 15.60                |
| One to five years    | 87.32                | 84.05                |
| More than five years | 92.18                | 111.05               |
| <b>Total</b>         | <b>195.10</b>        | <b>210.70</b>        |

## Notes to financial statements

for the year ended March 31, 2024

(vi) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vii) The Company has accounted for short term lease as per paragraph 6 of Ind AS 116. The expense relating to short term lease is accounted for as Rent expenses in the statement of profit & loss amounting to Rs.50.24 Lakhs for the year ended March 31, 2024 and Rs.25.93 Lakhs for the year ended March 31, 2023.

### 2(d): Intangible Assets

As at March 31, 2024

(Rs. in Lakhs)

| Particulars | Gross Block         |           |                      | Accumulated Depreciation |           |                      | Net Block            | Net Block            |
|-------------|---------------------|-----------|----------------------|--------------------------|-----------|----------------------|----------------------|----------------------|
|             | As at April 1, 2023 | Additions | As at March 31, 2024 | As at April 1, 2023      | Additions | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Softwares   | 8.38                | 1.60      | 9.98                 | 3.71                     | 2.06      | 5.77                 | 4.21                 | 4.67                 |
| Total       | 8.38                | 1.60      | 9.98                 | 3.71                     | 2.06      | 5.77                 | 4.21                 | 4.67                 |

As at March 31, 2023

(Rs. in Lakhs)

| Particulars | Gross Block         |           |                      | Accumulated Depreciation |           |                      | Net Block            | Net Block            |
|-------------|---------------------|-----------|----------------------|--------------------------|-----------|----------------------|----------------------|----------------------|
|             | As at April 1, 2022 | Additions | As at March 31, 2023 | As at April 1, 2023      | Additions | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Softwares   | 4.90                | 3.48      | 8.38                 | 0.66                     | 3.05      | 3.71                 | 4.67                 | 4.24                 |
| Total       | 4.90                | 3.48      | 8.38                 | 0.66                     | 3.05      | 3.71                 | 4.67                 | 4.24                 |

### 2(e) Additional Notes:

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

### 3 Other Financial Assets

|     |  | As at March 31, 2024 | As at March 31, 2023 |
|-----|--|----------------------|----------------------|
|     | (Unsecured, considered good)   |                      |                      |
|     | At Amortised Cost  |                      |                      |
|     | Security deposits  | 13.38                | 12.83                |
|     | Fixed Deposits with banks for more than 12 months maturity   | 1,290.40             | 82.69                |
|     | <b>Total</b>   | <b>1,303.78</b>      | <b>95.52</b>         |
|     | <b>Note : Security deposits are primarily in relation towards rent deposits and deposits with supplier</b> |                      |                      |
| 3.1 | Out of the above, fixed deposits kept under lien against bank guarantee issued by the bank in favour of:   |                      |                      |
|     | (a) Pollution Control Board  | -                    | 0.96                 |
|     | (b) National Highway Authority of India  | -                    | 1.62                 |
|     |  | -                    | 2.58                 |
| 3.2 | Fixed deposits kept as collateral against loan with Canara Bank  | 1,122.28             | 49.94                |
|     | Fixed deposits kept as collateral against loan with HDFC Bank  | 168.12               | 30.16                |
|     |  | <b>1,290.40</b>      | <b>82.69</b>         |



## Notes to financial statements

for the year ended March 31, 2024

### 4 Other non-current assets

(Rs. in Lakhs)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| a) Capital Advances                                 | 591.55                  | 4,027.17                |
| b) Advances to Employees                            | 13.38                   | 33.68                   |
| c) Hariom Employees Gratuity Trust                  | 18.89                   | 17.92                   |
| d) Deposit with Govt. Authorities                   | 1.31                    | 6.56                    |
| <b>Total</b>  | <b>625.12</b>           | <b>4,085.33</b>         |
| <b>4.1 Advances due from officer of the company</b> | <b>8.07</b>             | <b>13.17</b>            |

### 5 Inventories

(Rs. in Lakhs)

|                                | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| Raw materials                  | 8,281.79                | 6,776.08                |
| Finished goods                 | 16,127.68               | 8,710.42                |
| Stores, spares and consumables | 5,013.98                | 5,677.53                |
| Scrap & Wastage                | 230.53                  | 53.28                   |
| <b>Total</b>                   | <b>29,653.98</b>        | <b>21,217.31</b>        |

5.1 All the above inventories are secured as a primary security against working capital finance and as collateral securities against property, plant and equipment (except vehicle loans from other banks/financial institutions) to Canara bank and HDFC Bank.

5.2 For mode of valuation of inventories, please refer note 1(r) of the Material accounting policies.

#### 5.3 Details of stock-in-transit :

|               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------|-------------------------|-------------------------|
| Raw materials | 1,989.95                | 28.28                   |
| <b>Total</b>  | <b>1,989.95</b>         | <b>28.28</b>            |

### 6 Trade receivables

(Rs. in Lakhs)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| a) Considered Good-Secured             | -                       | -                       |
| b) Considered Good-Unsecured           | 12,207.31               | 8,611.68                |
| c) Significant increase in Credit Risk | -                       | -                       |
| b) Credit Impaired                     | -                       | -                       |
| <b>Total</b>                           | <b>12,207.31</b>        | <b>8,611.68</b>         |
| Less: Allowance for Credit loss        | -                       | -                       |
| <b>Total</b>                           | <b>12,207.31</b>        | <b>8,611.68</b>         |

## Notes to financial statements

for the year ended March 31, 2024

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

As at March 31, 2024

(Rs. in Lakhs)

| Particulars  | Less than 6 months | 6 months and 1 year | 1 year to 2 year | 2 years to 3 years | More than 3 years | Total     |
|--|--------------------|---------------------|------------------|--------------------|-------------------|-----------|
| (i) Undisputed Trade receivables – considered good                                 | 12,207.31          | -                   | -                | -                  | -                 | 12,207.31 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                  | -                   | -                | -                  | -                 | -         |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                  | -                   | -                | -                  | -                 | -         |
| (iv) Disputed Trade Receivables– considered good                                   | -                  | -                   | -                | -                  | -                 | -         |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                  | -                   | -                | -                  | -                 | -         |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                  | -                   | -                | -                  | -                 | -         |

As at March 31, 2023

(Rs. in Lakhs)

| Particulars  | Less than 6 months | 6 months and 1 year | 1 year to 2 year | 2 years to 3 years | More than 3 years | Total    |
|--|--------------------|---------------------|------------------|--------------------|-------------------|----------|
| (i) Undisputed Trade receivables – considered good                                 | 8,611.68           | -                   | -                | -                  | -                 | 8,611.68 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                  | -                   | -                | -                  | -                 | -        |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                  | -                   | -                | -                  | -                 | -        |
| (iv) Disputed Trade Receivables– considered good                                   | -                  | -                   | -                | -                  | -                 | -        |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                  | -                   | -                | -                  | -                 | -        |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                  | -                   | -                | -                  | -                 | -        |

**6.2** Trade receivable include the amounts due from a firm in which the directors are partners - 924.57

**6.3** All the above trade receivables are secured as a primary security against working capital finance and as collateral securities against property, plant and equipment (except vehicle loans from other banks / financial institutions) to Canara bank and HDFC Bank.

**6.4** There are no outstanding receivables due from directors or other officers of the Company

## Notes to financial statements

for the year ended March 31, 2024

### 7(a) Cash and cash equivalents

(Rs. in Lakhs)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Cash on Hand                              | 23.64                   | 17.46                   |
| <b>Balance with banks</b>                 |                         |                         |
| On Current accounts (Refer Note 7(a)(ii)) | 154.34                  | 10,386.81               |
| <b>Total</b>                              | <b>177.97</b>           | <b>10,404.27</b>        |

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

**7(a)(ii)** The balance includes Rs. NIL (previous Year Rs. 7,389.64 Lakhs) received against issue of equity shares on private placement basis and Rs. 0.45 Lakhs (previous year Rs 2,894.21 Lakhs) against issue of share warrants in Escrow Account.

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

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Recurring Deposits with Banks (refer note 7(b)(i))                            | -                       | 68.13                   |
| In fixed deposits with maturity of more than 3 months and less than 12 months | 3,001.00                | -                       |
| <b>Total</b>  | <b>3,001.00</b>         | <b>68.13</b>            |

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

### 8 Other financial assets

(Rs. in Lakhs)

|                                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------------|-------------------------|-------------------------|
| <b>(Unsecured, considered good)</b> |                         |                         |
| Interest Accrued                    | 230.34                  | 5.72                    |
| Insurance Claim Receivable          | -                       | 8.90                    |
| <b>Total</b>                        | <b>230.34</b>           | <b>14.62</b>            |

## Notes to financial statements

for the year ended March 31, 2024

### 9 Other current assets

(Rs. in Lakhs)

|  | As at<br>March 31, 2024   | As at<br>March 31, 2023 |
|--|---|-------------------------|
| (Unsecured, considered good)                       |   |                         |
| (a) Advances other than capital advances           |   |                         |
| (i) Security deposits with electricity board       | 725.19  | 349.47                  |
| (ii) Security deposits against IPO                 | -   | 134.01                  |
| (iii) Advance to suppliers                         | 118.90  | 250.93                  |
| (iv) Advances to Employees                         | 37.64   | 16.09                   |
| (v) Others:  |   |                         |
| Prepaid expenses                                   | 103.72  | 8.54                    |
| Balances with government authorities               |   |                         |
| (i) Goods and services tax (GST) credit receivable | 1,786.58  | 1,774.95                |
| (ii) Sales-tax receivable                          | 0.85  | 0.85                    |
| (iii) Excise Duty                                  | 0.07  | 0.07                    |
| (iv) Income tax receivable                         | 115.20  | 115.20                  |
| <b>Total</b>                                       | <b>2,888.15</b>   | <b>2,650.11</b>         |
| 9.1  | No advances are due from directors of the company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person. |                         |
| 9.2  | 2.90  | 4.64                    |

| Note no.    | Particulars   | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|-------------|---|----------------------|-----------------|----------------------|-----------------|
|             |   | No. of Shares        | Amount          | No. of Shares        | Amount          |
| <b>10</b>   | <b>EQUITY SHARE CAPITAL</b>   |                      |                 |                      |                 |
| 10.1        | <b>Authorised Equity Share capital</b>  |                      |                 |                      |                 |
|             | Equity Shares of Rs.10/- each with voting rights  | 3,66,83,800          | 3,668.38        | 3,66,83,800          | 3,668.38        |
| 10.2        | <b>Issued Subscribed &amp; Paid Up Capital</b>  |                      |                 |                      |                 |
|             | Equity Shares of Rs. 10/- each with voting rights   | 2,88,65,126          | 2,886.51        | 2,76,15,629          | 2,761.56        |
| <b>10.4</b> | <b>Reconciliation of no. of equity shares at the beginning and at the end of the year</b> |                      |                 |                      |                 |
| Note no.    | Particulars   | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|             |   | No. of Shares        | Amount          | No. of Shares        | Amount          |
|             | At the beginning of the year  | 2,76,15,629          | 2,761.56        | 1,69,76,204          | 1,697.62        |
|             | (a) Fresh issue of shares   | 2,750                | 0.27            | 1,06,39,425          | 1,063.94        |
|             | (b) Shares Warrant Converted to Equity Shares   | 12,46,747            | 124.67          | -                    | -               |
|             | <b>At the year end March 31,</b>  | <b>2,88,65,126</b>   | <b>2,886.51</b> | <b>2,76,15,629</b>   | <b>2,761.56</b> |

## Notes to financial statements

for the year ended March 31, 2024

**10.5** The Board of Directors had approved allocation of 33,48,125 Convertible Warrants (hereinafter “Warrants”) on March 31, 2023, followed by an additional allotment of 7,500 Warrants on April 6, 2023, priced at Rs. 345/- per Warrant. Upon allotment, the company received 25% of the amount due on the above Warrants totaling to Rs. 28.94 Crores.

Out of the above, balance 75% allotment money due on 12,46,747 Convertible Warrants amounting to Rs. 32.26 Crore were received by the Company on the exercise of the option by the Warrant holders on January 3, 2024. Accordingly 12,46,747 equity shares were allotted to those Warrant holders on January 3, 2024.

**10.6 Terms of Pending Securities (Share Warrants) Convertible into Equity Shares and the date of Conversion:**

Rs. 54.57 Crores representing 75% of the amounts due on balance 21,08,878 Warrants, (yet to be converted), is receivable on exercise of the option by the Warrant holders at any time within 18 months from the date of allotment i.e. on or before 30th September, 2024.

**10.7 Equity shareholders holding more than 5% equity shares:**

| Particulars                                      | As at March 31, 2024 |               | As at March 31, 2023 |               |
|--|----------------------|---------------|----------------------|---------------|
|  | % of shares          | No. of shares | % of shares          | No. of shares |
| Rupesh Kumar Gupta                               | 14.53%               | 41,93,847     | 15.19%               | 41,93,847     |
| Sailesh Gupta                                    | 10.17%               | 29,36,222     | 10.63%               | 29,36,222     |
| Rupesh Kumar./Shailesh Gupta./Rakesh Kumar Gupta | 8.08%                | 23,33,338     | 8.45%                | 23,33,338     |
| Ansh Commerce Private Limited                    | 6.87%                | 19,81,665     | 7.18%                | 19,81,665     |
| Rakesh Kumar Gupta                               | 5.68%                | 16,40,000     | 5.94%                | 16,40,000     |
| Malabar India Fund Limited                       | 5.62%                | 16,22,500     |                      |               |

**10.8 Shareholding by Promoters :**

**Equity Shares:**

**As at March 31, 2024**

| Shares held by promoters at the period end |               |                       | % Change during the year |
|--|---------------|-----------------------|--------------------------|
| Promoter Name                              | No. of Shares | (*) % of total shares |                          |
| Rupesh Kumar Gupta                         | 41,93,847     | 14.53%                | -0.66%                   |
| Sailesh Gupta                              | 29,36,222     | 10.17%                | -0.46%                   |

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

**As at March 31, 2023**

| Shares held by promoters at the period end |               |                       | % Change during the year |
|--|---------------|-----------------------|--------------------------|
| Promoter Name                              | No. of Shares | (*) % of total shares |                          |
| Rupesh Kumar Gupta                         | 41,93,847     | 15.19%                | -9.51%                   |
| Sailesh Gupta                              | 29,36,222     | 10.63%                | -6.67%                   |

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



## Notes to financial statements

for the year ended March 31, 2024

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

**10.10 Terms/rights attached to equity shares:**

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

|              | <b>Particulars</b>  | <b>As at<br/>March 31, 2024</b> | <b>As at<br/>March 31, 2023</b> |
|--------------|---|---------------------------------|---------------------------------|
| <b>10.11</b> | The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years, as at the year end      | -                               | -                               |
| <b>10.12</b> | The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended | -                               | -                               |
| <b>10.13</b> | The aggregate number of equity shares brought back in immediately preceding five years ended  | -                               | -                               |

**10.14 Capital Management**

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

## Notes to financial statements

for the year ended March 31, 2024

### 11 Other Equity

(Rs. in Lakhs)

| Note no. | Particulars  | Share Application Money pending Allotment | Equity component of compound financial instruments | Capital Redemption Reserves | Reserves and surplus |                   | Money received against Share Warrants | Total            |
|----------|--|---|--|-----------------------------|----------------------|-------------------|---------------------------------------|------------------|
|          |  |   |  |                             | Securities premium   | Retained Earnings |                                       |                  |
|          | Balance as at April 1, 2023  | 15.09                                     | 84.19  | 36.62                       | 20,103.09            | 11,628.36         | 2,887.76                              | 34,755.10        |
|          | Additions during the year:   |   |  |                             |                      |                   |                                       |                  |
|          | (a) Total Comprehensive Income for the year                            | -   | -  | -                           | -                    | 5,684.02          | -                                     | 5,684.02         |
|          | (b) Premium on issue of equity shares                                  | -   | -  | -                           | 9.21                 | -                 | -                                     | 9.21             |
|          | (c) Premium on Conversion of Warrants to equity shares                 | -   | -  | -                           | 4,176.60             | -                 | -                                     | 4,176.60         |
|          | (d) Share issue expenses   | -   | -  | -                           | (15.75)              | -                 | -                                     | (15.75)          |
|          | (e) Share Application Money pending Allotment (Equities and Warrants)  | (15.09)                                   | -  | -                           | -                    | -                 | -                                     | (15.09)          |
|          | (f) Money Received Against Share Warrants (refer note 11.2)            | -   | -  | -                           | -                    | -                 | 3,232.43                              | 3,232.43         |
|          | (g) Share Warrants converted into equity Shares (refer note 11.2)      | -   | -  | -                           | -                    | -                 | (4,301.28)                            | (4,301.28)       |
|          |  | (15.09)                                   | -  | -                           | 4,170.06             | 5,684.02          | (1,068.85)                            | 8,770.14         |
|          | <b>Balance as at March 31, 2024</b>                                    | <b>0.00</b>                               | <b>84.19</b>                                       | <b>36.62</b>                | <b>24,273.15</b>     | <b>17,312.37</b>  | <b>1,818.91</b>                       | <b>43,525.24</b> |
|          | Balance as at April 1, 2022  | -   | 94.64  | -                           | 1,286.52             | 7,022.89          | -                                     | 8,404.05         |
|          | Additions during the year:   |   |  |                             |                      |                   |                                       |                  |
|          | (a) Total Comprehensive Income for the year                            | -   | -  | -                           | -                    | 4,631.63          | -                                     | 4,631.63         |
|          | (b) Premium on issue of shares   | -   | -  | -                           | 19,303.81            | -                 | -                                     | 19,303.81        |
|          | (c) Share issue expenses   | -   | -  | -                           | (487.24)             | -                 | -                                     | (487.24)         |
|          | (d) CRR Created on redemption of Preference Share Capital              | -   | -  | 36.62                       | -                    | (36.62)           | -                                     | -                |
|          | (e) Equity Component transferred to Retained Earnings                  | -   | (10.45)  | -                           | -                    | 10.45             | -                                     | -                |
|          | (f) Share Application Money pending Allotment (Equities and Warrants)* | 15.09                                     | -  | -                           | -                    | -                 | -                                     | 15.09            |
|          | (g) Money Received Against Share Warrants                              | -   | -  | -                           | -                    | -                 | 2,887.76                              | 2,887.76         |
|          |  | 15.09                                     | (10.45)  | 36.62                       | 18,816.57            | 4,605.46          | 2,887.76                              | 26,351.05        |
|          | <b>Balance as at March 31, 2023</b>                                    | <b>15.09</b>                              | <b>84.19</b>                                       | <b>36.62</b>                | <b>20,103.09</b>     | <b>11,628.36</b>  | <b>2,887.76</b>                       | <b>34,755.10</b> |

\* Share application money includes an amount of Rs.6.47L towards money received against share warrant pending allotment

## Notes to financial statements

for the year ended March 31, 2024

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

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

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

#### Terms and conditions

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

### 11.2 Money received against Share Warrants (Refer Note Number 10.5 & 10.6).

### 11.3 Nature and purpose of creation and utilisation of reserves.

- 11.3.1 **Securities Premium:** Securities premium is created on excess amount received over and above the face value on issue of the shares and securities. The securities premium can be utilised in accordance with the provisions of Section 52 of the Companies Act 2013. These include issue of bonus shares and writing of expenses incurred such as commission etc. on issue of shares/securities.
- 11.3.2 **Capital Redemption Reserve(CRR) :** The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.
- 11.3.3 **Retained Earnings:** Retained earnings are the profits (including Other Comprehensive income) that the company has earned till date, less any transfer to general reserve, dividends or other distribution or the distributions paid to the shareholders.

## Notes to financial statements

for the year ended March 31, 2024

### 12 Borrowings - Non Current

(Rs. in Lakhs)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Secured:</b>  |                         |                         |
| <b>(a) Term Loans :</b>  |                         |                         |
| (i) From banks - Canara Bank (Other than Vehicle loans) (Refer Note No. 12.1.1)            | 7,938.68                | 8,180.61                |
| - HDFC Bank (Other than Vehicle loans) (Refer Note No. 12.1.1)                             | 3,723.08                | 4,103.50                |
| - HDFC Bank (Vehicle Loans) (Refer Note No. 12.1.3)  | 156.08                  | 114.32                  |
|  | <b>11,817.84</b>        | <b>12,398.43</b>        |
| <b>Unsecured:</b>  |                         |                         |
| <b>(a) Vehicle Loans</b>   |                         |                         |
| (ii) From Others - Kotak Mahindra Prime Ltd (Refer Note No. 12.1.4)                        | -                       | 5.75                    |
|  | -                       | <b>5.75</b>             |
| <b>(b) Loans from related parties</b>  |                         |                         |
| - From Directors   | 29.12                   | -                       |
| <b>(c) Compound financial instruments - Preference shares (Refer note:- 12.2 and 12.3)</b> | 123.86                  | 115.22                  |
| <b>Total</b>   | <b>11,970.82</b>        | <b>12,519.40</b>        |

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

(Rs. in Lakhs)

|   | As at March 31, 2024 |         | As at March 31, 2023 |         |
|---|----------------------|---------|----------------------|---------|
|   | Non Current          | Current | Non Current          | Current |
| 12.1.1 Term Loan is Secured by Primary Charge on Equitable Mortgage of all Land & Building, existing Plant & Machinery and Other Fixed Assets, Present & future except for the Fixed assets located at Plot No. B-15 to B-28, SIPCOT Industrial Growth Centre, Perundurai, ERODE(Distt.), Tamilnadu-638052. Further the said term loan is secured by pari pasu charge with HDFC bank on the entire present and future current assets of the company and also guaranteed by two Directors of the Company and their family members. | -                    | 158.42  | 158.42               | 633.69  |
| The loan is taken from Canara Bank and is repayable in 58 monthly instalments starting from Jun'2019 till Jun' 2024. Applicable Rate of Interest for the FY 2023-24 is 9.60% (Applicable Rate of Interest for FY 2022-23 was 12.15%)  |                      |         |                      |         |

## Notes to financial statements

for the year ended March 31, 2024

|   | As at March 31, 2024 |          | As at March 31, 2023 |         |
|---|----------------------|----------|----------------------|---------|
|   | Non Current          | Current  | Non Current          | Current |
| <p>Term Loan is Secured by Primary Charge on Equitable Mortgage of all Land &amp; Building, existing Plant &amp; Machinery and Other Fixed Assets, Present &amp; future except for the Fixed assets located at Plot No. B-15 to B-28, SIPCOT Industrial Growth Centre, Perundurai, ERODE(Distt.), Tamilnadu-638052. Further the said term loan is secured by pari pasu charge with HDFC bank on the entire present and future current assets of the company and also guaranteed by two Directors of the Company and their family members.</p> <p>The loan is taken from Canara Bank and is repayable in 48 monthly instalments starting from Jan'2024 till Dec' 2027. Applicable Rate of Interest for the FY 2023-24 is 9.35% (Applicable Rate of Interest for FY 2022-23 is 9.35%)</p>   | 728.88               | 328.66   | 1,057.53             | 69.70   |
| <p>Term Loan is Secured by Primary Charge on Equitable Mortgage of all Land &amp; Building, existing Plant &amp; Machinery and Other Fixed Assets, Present &amp; future except for the Fixed assets located at Plot No. B-15 to B-28, SIPCOT Industrial Growth Centre, Perundurai, ERODE(Distt.), Tamilnadu-638052. Further the said term loan is secured by pari pasu charge with HDFC bank on the entire present and future current assets of the company and also guaranteed by two Directors of the Company and their family members.</p> <p>The loan is taken from Canara Bank and is repayable in 84 monthly instalments . Applicable Rate of Interest for the FY 2023-24 is 9.75% (Applicable Rate of Interest for FY 2022-23 is 9.10%)</p>  | 6,967.84             | 1,086.20 | 6,240.39             | 896.00  |
| <p>Term Loan is Secured by Primary Charge on Equitable Mortgage of all Land &amp; Building, existing Plant &amp; Machinery and Other Fixed Assets, Present &amp; future except for the Fixed assets located at Plot No. B-15 to B-28, SIPCOT Industrial Growth Centre, Perundurai, ERODE(Distt.), Tamilnadu-638052. Further the said term loan is secured by pari pasu charge with HDFC bank on the entire present and future current assets of the company and also guaranteed by two Directors of the Company and their family members.</p> <p>The loan is taken from Canara Bank and is repayable in 48 monthly instalments starting from Apr'2021 till Mar' 2025. Applicable Rate of Interest for the FY 2023-24 is 13.41% (Applicable Rate of Interest for FY 2022-23 is 13.56%)</p> | -                    | 240.41   | 240.40               | 238.60  |



## Notes to financial statements

for the year ended March 31, 2024

|   | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | Non Current          | Current         | Non Current          | Current         |
| <p>Term Loan is Secured by Primary Charge on Equitable Mortgage of all Land &amp; Building, existing Plant &amp; Machinery and Other Fixed Assets, Present &amp; future except for the Fixed assets located at Plot No. B-15 to B-28, SIPCOT Industrial Growth Centre, Perundurai, ERODE(Distt.), Tamilnadu-638052. Further the said term loan is secured by pari pasu charge with HDFC bank on the entire present and future current assets of the company and also guaranteed by two Directors of the Company and their family members.</p> <p>The loan is taken from Canara Bank and is repayable in 48 monthly instalments starting from Apr'2022 till Mar' 2026. Applicable Rate of Interest for the FY 2023-24 is 9.28% (Applicable Rate of Interest for FY 2022-23 is 9.28%)</p> | 241.96               | 241.90          | 483.86               | 241.85          |
| <b>Total (a)</b>  | <b>7,938.68</b>      | <b>2,055.58</b> | <b>8,180.61</b>      | <b>2,079.83</b> |
| <p>Term Loan is Secured by Primary Charge on Equitable Mortgage of Factory Land and Building, Plant &amp; Machinery and Other Fixed Assets, Present and Future located at - Plot No. B-15 to B-28, SIPCOT Industrial Growth Centre, Perundurai, ERODE(Distt.), Tamilnadu-638052. Further the said term loan is secured by pari pasu charge with canara bank on the entire present and future current assets of the company and also guaranteed by two Directors of the Company and their family members.</p> <p>Loan is taken from HDFC Bank and is repayable in 72 monthly instalments . Applicable Rate of Interest for the FY 23-24 is 8.82%. (Applicable Rate of Interest for FY 2022-23 is 8.25%)</p>  | 3,723.08             | 816.37          | 4,103.50             | 100.10          |
| <b>Total (b)</b>  | <b>3,723.08</b>      | <b>816.37</b>   | <b>4,103.50</b>      | <b>100.10</b>   |
| 12.1.2 Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Canara Bank is repayable in monthly 60 instalments till Jan'2023. Applicable Rate of Interest is 7.85%   | -                    | -               | -                    | 0.61            |
| <b>Total (c)</b>  | <b>-</b>             | <b>-</b>        | <b>-</b>             | <b>0.61</b>     |
| 12.1.3 Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 48 monthly instalments till May' 2026. Applicable Rate of Interest is 7.35%  | 3.96                 | 3.14            | 7.10                 | 2.92            |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 48 monthly instalments till June' 2026. Applicable Rate of Interest is 7.60%  | 5.54                 | 4.07            | 9.60                 | 3.77            |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 48 monthly instalments till September' 2026. Applicable Rate of Interest is 8.15%   | 6.25                 | 3.76            | 10.02                | 3.47            |

## Notes to financial statements

for the year ended March 31, 2024

|  | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
|  | Non Current          | Current         | Non Current          | Current         |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly instalments till February' 2028. Applicable Rate of Interest is 8.50% | 22.50                | 6.52            | 29.02                | 5.99            |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly instalments till April' 2028. Applicable Rate of Interest is 8.40%    | 46.03                | 12.55           | 58.58                | 10.62           |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly instalments till June' 2028. Applicable Rate of Interest is 8.60%     | 39.59                | 10.12           | -                    | -               |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly instalments till July' 2028. Applicable Rate of Interest is 8.60%     | 17.94                | 4.46            | -                    | -               |
| Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly instalments till July' 2028. Applicable Rate of Interest is 8.70%     | 14.28                | 3.54            | -                    | -               |
| <b>Total (d)</b>   | <b>156.08</b>        | <b>48.16</b>    | <b>114.32</b>        | <b>26.77</b>    |
| <b>Total Secued Burrowings (a+b+c+d)</b>   | <b>11,817.84</b>     | <b>2,920.12</b> | <b>12,398.43</b>     | <b>2,207.31</b> |
| <b>Note (ii) Term and conditions for repayment of loan other than bank as follows:-</b>  |                      |                 |                      |                 |
| 12.1.4 Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in 36 monthly instalments till Feb'2025. Applicable Rate of Interest is 7.15%             | -                    | 5.68            | 5.75                 | 5.98            |
| <b>Total Unsecured Burrowings (e)</b>  | <b>-</b>             | <b>5.68</b>     | <b>5.75</b>          | <b>5.98</b>     |

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

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

12.3 Out of the above said Preference share on the request of one of the shareholders (Mr. Sailesh Gupta) the Company in its board meeting held on August 10, 2022 has redeemed 3,66,200 0% Series A Redeemable Non cumulative Preference Shares of Rs.10/- each at a aggregate value of Rs. 36,62,000 out of profits of the Company in compliance with the provisions of Section 55 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

12.4 For terms and conditions for Compound financial instruments, Refer note no. 11.1

## Notes to financial statements

for the year ended March 31, 2024

### 13 Provisions

(Rs. in Lakhs)

|                            | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| - for Employee Gratuity    | 44.33                   | 32.14                   |
| - for Compensated Absences | -                       | 1.02                    |
| <b>Total</b>               | <b>44.33</b>            | <b>33.16</b>            |

### 14 Deferred tax liabilities (Net)

(Rs. in Lakhs)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Balance in the beginning (Net)   | 424.30                  | 314.94                  |
| Add: Deferred tax recognised in Profit and Loss account                              | 399.34                  | 109.37                  |
| <b>Balance at the year end (Net)</b>   | <b>823.64</b>           | <b>424.30</b>           |
| 14.1 For Components of deferred tax (assets) and liabilities please refer note no.28 |                         |                         |

### 15 Borrowings - Current

(Rs. in Lakhs)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>Secured:</b>   |                         |                         |
| <b>(a) Loans repayable on demand</b>  |                         |                         |
| From banks: -   |                         |                         |
| (i) Cash Credit facilities  | 22,191.92               | 14,801.55               |
| (ii) Bills discounted   | -                       | 67.57                   |
|   | <b>22,191.92</b>        | <b>14,869.12</b>        |
| <b>(b) Current maturities of long term borrowings towards:</b>                |                         |                         |
| (i) Secured - Banks   | 2,920.12                | 2,207.31                |
| (ii) Unsecured  |                         |                         |
| - Banks   | -                       | -                       |
| - Other than Banks  | 5.68                    | 5.98                    |
| <b>Total Current Maturities for Long term Borrowing (Secured + Unsecured)</b> | <b>2,925.80</b>         | <b>2,213.29</b>         |
| <b>Total</b>  | <b>25,117.72</b>        | <b>17,082.41</b>        |

15.1 The above loans are secured by way of hypothecation of inventories and receivables and by secondary charge on other property, plant and equipment's. These are also guaranteed by the personal guarantees of the two directors and their relatives.

15.2 The quarterly returns/ statements read with subsequent revisions filed by the Company with the banks are in agreement with the books of accounts.

## Notes to financial statements

for the year ended March 31, 2024

### 16 Trade payable

As at March 31, 2024

(Rs. in Lakhs)

| Undisputed:            | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total           |
|------------------------|------------------|-----------|-----------|-------------------|-----------------|
| MSME                   | 97.47            | -         | -         | -                 | <b>97.47</b>    |
| Others                 | 1,793.33         | -         | -         | -                 | <b>1,793.33</b> |
| Disputed dues - MSME   | -                | -         | -         | -                 | -               |
| Disputed dues - Others | -                | -         | -         | -                 | -               |
| Unbilled Dues          | -                | -         | -         | -                 | -               |

As at March 31, 2023

(Rs. in Lakhs)

| Undisputed:            | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total           |
|------------------------|------------------|-----------|-----------|-------------------|-----------------|
| MSME                   | -                | -         | -         | -                 | -               |
| Others                 | 1,631.31         | -         | -         | -                 | <b>1,631.31</b> |
| Disputed dues - MSME   | -                | -         | -         | -                 | -               |
| Disputed dues - Others | -                | -         | -         | -                 | -               |
| Unbilled Dues          | -                | -         | -         | -                 | -               |

**16.1** The amount due to Micro and small enterprises as defined in The Micro, Small and Medium Enterprises Development act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

(Rs. in Lakhs)

| 16.2 Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| (i) The principal amount remaining unpaid to supplier as at the end of the year   | 97.47                   | -                       |
| (ii) The interest due thereon remaining unpaid to supplier as at the end of the year  | -                       | -                       |
| (iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act | -                       | -                       |
| (iv) The amount of interest accrued during the year and remaining unpaid at the end of the year   | -                       | -                       |
| (v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961   | -                       | -                       |
| <b>Total</b>  | <b>97.47</b>            | -                       |
| <b>16.3</b> Trade payable include the amounts due to a firm in which the directors are partners   | -                       | -                       |

## Notes to financial statements

for the year ended March 31, 2024

### 17 Other financial liabilities

(Rs. in Lakhs)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Payable to Capital Goods Suppliers                         |                         |                         |
| Dues to micro and small enterprises                        | 76.10                   | 236.39                  |
| Dues to other than micro enterprises and small enterprises | 607.22                  | 636.43                  |
| Other Liabilities for Services                             | -                       | 2.11                    |
| Other Liabilities for Outstanding Expenses                 | 376.21                  | -                       |
| <b>Total</b>   | <b>1,059.53</b>         | <b>874.93</b>           |

**17.1** The amount due to Micro and small enterprises as defined in The Micro, Small and Medium Enterprises Development act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

(Rs. in Lakhs)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| (i) The principal amount remaining unpaid to supplier as at the end of the year   | 76.10                   | 236.39                  |
| (ii) The interest due thereon remaining unpaid to supplier as at the end of the year  | -                       | -                       |
| (iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act | -                       | -                       |
| (iv) The amount of interest accrued during the year and remaining unpaid at the end of the year   | -                       | -                       |
| (v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961   | -                       | -                       |
| <b>Total</b>  | <b>76.10</b>            | <b>236.39</b>           |

### 18 Other current liabilities

(Rs. in Lakhs)

|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| (a) Statutory dues payable       | 173.95                  | 83.51                   |
| (b) Other Contractual Obligation | -                       | 32.14                   |
| (c) Advance from customers       | 109.15                  | 147.52                  |
| <b>Total</b>                     | <b>283.10</b>           | <b>263.18</b>           |

**18.1** Statutory dues primarily relate to GST, tax deducted at source, Tax collected at source, ESI, Provident fund and Professional tax.



## Notes to financial statements

for the year ended March 31, 2024

### 19 Provisions

(Rs. in Lakhs)

|                            | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| - for Employee gratuity    | 5.00                    | 2.84                    |
| - for Compensated Absences | -                       | 2.31                    |
| <b>Total</b>               | <b>5.00</b>             | <b>5.15</b>             |

### 20 Current tax liabilities (Net)

(Rs. in Lakhs)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Provision for tax (net of taxes paid)</b> | <b>295.79</b>           | <b>441.89</b>           |

### 21 Revenue from operations

(Rs. in Lakhs)

|  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| (a) Sale of Steel and Steel products (Refer note 21.1 below) |                                      |                                      |
| MS Tubes   | 42,627.75                            | 39,361.23                            |
| Scaffolding  | 2,539.55                             | 2,339.50                             |
| GP/CR Pipe & Coil  | 60,989.25                            | 9,476.06                             |
| Other Steel Products   | 9,162.22                             | 13,194.42                            |
| <b>Total</b>   | <b>1,15,318.77</b>                   | <b>64,371.21</b>                     |
| <b>21.1 (i) Sales of Products</b>                            |                                      |                                      |
| Gross Sales  | 1,44,496.05                          | 84,425.46                            |
| <b>Total</b>   | <b>1,44,496.05</b>                   | <b>84,425.46</b>                     |
| Less: Taxes & Duties   | 20,686.75                            | 12,487.48                            |
| Less: Internal Stock Transfer                                | 8,490.54                             | 7,566.77                             |
| <b>Revenue from operations</b>                               | <b>1,15,318.77</b>                   | <b>64,371.21</b>                     |

### 22 Other income

(Rs. in Lakhs)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (a) Interest income (at amortised cost)         | 383.18                               | 74.17                                |
| (b) Gain on foreign currency transactions (net) | 129.34                               | 0.10                                 |
| (c) Gain on Sale of PPE                         | 7.19                                 | 0.55                                 |
| <b>Total</b>                                    | <b>519.71</b>                        | <b>74.82</b>                         |

## Notes to financial statements

for the year ended March 31, 2024

### 23 Cost of materials consumed

(Rs. in Lakhs)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (a) Raw materials consumed:                       |                                      |                                      |
| Opening stock                                     | 6,776.08                             | 1,140.31                             |
| Add: Purchases during the year                    | 1,03,377.55                          | 61,465.19                            |
|   | <b>1,10,153.63</b>                   | <b>62,605.49</b>                     |
| Less: Internal Stock Transfer                     | 8,490.54                             | 7,566.77                             |
| Less: Closing Stock                               | 8,281.79                             | 6,776.08                             |
|   | <b>16,772.33</b>                     | <b>14,342.85</b>                     |
| <b>Raw materials consumed (a)</b>                 | <b>93,381.30</b>                     | <b>48,262.65</b>                     |
| (b) Stores & Spares consumed:                     |                                      |                                      |
| Opening stock                                     | 5,677.53                             | 4,741.96                             |
| Add: Purchases during the year                    | 596.76                               | 2,144.93                             |
|   | <b>6,274.29</b>                      | <b>6,886.90</b>                      |
| Less: Closing Stock                               | 5,013.98                             | 5,677.53                             |
| <b>Stores and spares consumed (b)</b>             | <b>1,260.31</b>                      | <b>1,209.37</b>                      |
| <b>Total cost of materials consumed (a) + (b)</b> | <b>94,641.61</b>                     | <b>49,472.02</b>                     |

### 24 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. in Lakhs)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>Finished goods:</b>                    |                                      |                                      |
| Opening stock                             | 8,763.70                             | 5,596.73                             |
| Less: Closing Stock                       | 16,358.21                            | 8,763.70                             |
| <b>(Increase)/decrease in inventories</b> | <b>(7,594.51)</b>                    | <b>(3,166.98)</b>                    |

### 25 Employee benefits expense

(Rs. in Lakhs)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (a) Salaries and wages                        |                                      |                                      |
| - Salaries and Wages                          | 3,549.31                             | 1,791.36                             |
| - Remuneration to Directors                   | 646.22                               | 324.00                               |
| (b) Contribution To Provident And Other Funds | 202.72                               | 87.50                                |
| (c) Staff welfare expenses                    | 69.64                                | 46.11                                |
| <b>Total</b>                                  | <b>4,467.89</b>                      | <b>2,248.97</b>                      |

## Notes to financial statements

for the year ended March 31, 2024

### 26 Finance costs

(Rs. in Lakhs)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>(a) Interest expense :</b>                                   |                                      |                                      |
| (i) Term Loans  | 1,249.02                             | 425.74                               |
| (ii) Vehicle Loans  | 16.80                                | 4.65                                 |
| (iii) Cash Credit Facilities                                    | 1,795.83                             | 440.20                               |
| (iv) LC Commission / Bill Discounted Charges                    | 142.29                               | 79.49                                |
| (v) Lease Liabilities   | 11.29                                | 4.82                                 |
| (vi) Finance Cost on Compound Financial Instruments             | 8.64                                 | 8.54                                 |
|   | <b>3,223.87</b>                      | <b>963.44</b>                        |
| <b>(b) Other financial costs</b>                                | 32.44                                | 51.79                                |
| <b>(c) Loss on Settlement of Compound Financial Instruments</b> | -                                    | 22.82                                |
| <b>Total</b>  | <b>3,256.32</b>                      | <b>1,038.04</b>                      |

### 27 Other expenses

(Rs. in Lakhs)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (a) Communication Expenses                                  | 9.70                                 | 7.66                                 |
| (b) Director Sitting Fees                                   | 7.20                                 | 9.75                                 |
| (c) Commission Expenses                                     | 6.91                                 | 7.43                                 |
| (d) Office Maintenance                                      | 18.25                                | 19.15                                |
| (e) Printing & Stationary                                   | 13.02                                | 7.97                                 |
| (f) Security Services                                       | 86.21                                | 52.14                                |
| (g) Advertisement and sales promotion                       | 284.01                               | 138.51                               |
| (h) Rent  | 50.24                                | 25.93                                |
| (i) Travelling and conveyance                               | 211.38                               | 128.63                               |
| (j) Payment to auditors (refer note 27.1 below)             | 19.60                                | 9.05                                 |
| (k) Payment to tax auditor                                  | 0.60                                 | 0.60                                 |
| (l) Payment to cost auditor                                 | 0.70                                 | 0.75                                 |
| (m) Legal and professional charges                          | 80.68                                | 79.94                                |
| (n) Production Factory Maintaince                           | 324.05                               | 109.76                               |
| (o) Repairs and Maintaince                                  |                                      |                                      |
| (i) Building  | 3.43                                 | 5.70                                 |
| (ii) Plant and machinery                                    | 108.89                               | 97.17                                |
| (iii) Vehicles  | 12.37                                | 9.41                                 |
| (iv) Others   | 18.93                                | 10.53                                |
| (p) Rates and taxes   | 1.33                                 | 4.56                                 |
| (q) Filing and registration fee                             | 61.28                                | 32.91                                |
| (r) Corporate social responsibility (refer note 27.2 below) | 87.21                                | 50.39                                |
| (s) Insurance   | 24.01                                | 43.20                                |
| (t) Miscellaneous Expenses                                  | 27.39                                | 42.38                                |
| <b>Total</b>  | <b>1,457.39</b>                      | <b>893.53</b>                        |

## Notes to financial statements

for the year ended March 31, 2024

### 27.1 Payment to auditors

(Rs. in Lakhs)

|                       | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|-----------------------|--------------------------------------|--------------------------------------|
| For Statutory audit   | 12.00                                | 8.00                                 |
| For Taxation Matter   | 4.00                                 | -                                    |
| For Certification fee | 3.60                                 | 1.05                                 |
|                       | <b>19.60</b>                         | <b>9.05</b>                          |

**27.2** As per section 135 of the Companies Act, 2013 and rules made thereunder, the Company is required to spend at least 2% of average net profit of its past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure are as under :

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| (a) Amount required to be spent by the Company for the year  | 84.38                                | 50.34                                |
| (b) Amount spent during the year:  |                                      |                                      |
| (i) on purposes other than construction / acquisition of any asset)  | 87.21                                | 50.39                                |
| (ii) for the purpose of acquisition / construction of assets   | -                                    | -                                    |
|  | <b>87.21</b>                         | <b>50.39</b>                         |
| (c) Shortfall at the year end (of CSR expenditure incurred)  | -                                    | -                                    |
| (d) Total of previous year/period short fall   | -                                    | -                                    |
| (e) Out of the above, expenses recognised in Statement of Profit and Loss  | -                                    | -                                    |
| (i) Expenses actually incurred i.e. paid (cash)  | 87.21                                | 50.39                                |
| (ii) Expenses incurred but not paid, i.e. provided for (Provision)   | -                                    | -                                    |
|  | <b>87.21</b>                         | <b>50.39</b>                         |
| The company plans to carry forward the excess amount of Rs. 2.83 Lakhs spent during the current financial year. This sum will be utilized in the upcoming financial year and adjusted against the company's future commitments for spending towards CSR. |                                      |                                      |
| (f) Nature of CSR activities   |                                      |                                      |
| (i) Education  | 6.64                                 | 9.57                                 |
| (ii) Animal Welfare  | 8.54                                 | 16.23                                |
| (iii) Children Welfare   | 5.00                                 | 0.29                                 |
| (iv) Ensuring Environmental sustainability   | 0.34                                 | 2.00                                 |
| (v) Health Care  | 15.68                                | 22.31                                |
| (vii) Restoration of buildings and sites of historical importance  | 51.00                                | -                                    |
|  | <b>87.21</b>                         | <b>50.39</b>                         |

## Notes to financial statements

for the year ended March 31, 2024

### 28 Disclosure pursuant to Ind AS 12 "Income Taxes"

(Rs. in Lakhs)

|                         | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|-------------------------|--------------------------------------|--------------------------------------|
| Current tax             | 1,605.81                             | 1,497.21                             |
| Deferred tax            | 397.97                               | 105.72                               |
| Tax for earlier periods | 52.52                                | 58.93                                |
| <b>Total</b>            | <b>2,056.30</b>                      | <b>1,661.85</b>                      |

#### (a) Income tax expenses - current and deferred tax

(Rs. in Lakhs)

| 1. Profit or Loss  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| <b>(i) Current Income tax :</b>                                  |                                      |                                      |
| Current income tax expense                                       | 1,605.81                             | 1,497.21                             |
| Tax expense of earlier years                                     | 52.52                                | 58.93                                |
| <b>Total (i)</b>   | <b>1,658.33</b>                      | <b>1,556.14</b>                      |
| <b>(ii) Deferred Tax:</b>  |                                      |                                      |
| Tax expense on origination and reversal of temporary differences | 397.97                               | 105.72                               |
| <b>Total (ii)</b>  | <b>397.97</b>                        | <b>105.72</b>                        |
| <b>Income tax expense reported in Profit or Loss [(i)+(ii)]</b>  | <b>2,056.30</b>                      | <b>1,661.85</b>                      |

(Rs. in Lakhs)

| 2. Other comprehensive income (OCI) Section:                              | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (i) Items not to be reclassified to Profit or Loss in subsequent periods: |                                      |                                      |
| Current tax expense/(income):   |                                      |                                      |
| On measurement of defined benefit plans                                   | 1.37                                 | 3.64                                 |
| <b>Income tax expense reported in the OCI section</b>                     | <b>1.37</b>                          | <b>3.64</b>                          |

#### (b) Reconciliation of tax expense and the accounting profit:

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| <b>(1) Profit before tax as per the Statement of Profit and loss</b> | <b>7,736.25</b>                      | <b>6,282.66</b>                      |
| <b>(2) Corporate tax rate as applicable</b>                          | 25.17%                               | 25.17%                               |
| <b>(3) Tax on Accounting profit (3) = (1) * (2)</b>                  | 1,947.06                             | 1,581.22                             |
| (i) Tax on Income exempt from tax/Non cash Income :                  | -                                    | -                                    |
| (ii) Tax on expenses not tax deductible:                             |                                      |                                      |
| (A) CSR expenses   | 21.95                                | 12.68                                |
| (B) Other disallowances  | 5.99                                 | 5.57                                 |
| (iii) Tax effect on various other items                              | 28.78                                | 3.45                                 |
|  | <b>2,003.78</b>                      | <b>1,602.92</b>                      |
| (iv) Effect of current tax related to earlier years                  | 52.52                                | 58.93                                |
| <b>(4) Tax expense recognised during the year (5)=(3)+(4)</b>        | <b>2,056.30</b>                      | <b>1,661.85</b>                      |
| <b>(5) Effective tax rate (6)=(5)/(1)</b>                            | <b>26.58%</b>                        | <b>26.45%</b>                        |



## Notes to financial statements

for the year ended March 31, 2024

### (c) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit and Loss

(Rs. in Lakhs)

| Particulars  | Balance Sheet                        |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| 1. Items disallowed u/s 43B of Income Tax Act, 1961            | 27.31                                | 29.19                                |
| 2. Difference in book depreciation and income tax depreciation | 798.62                               | 395.81                               |
| 3. Others  | (2.29)                               | (0.70)                               |
| <b>Net deferred tax (assets)/liabilities</b>                   | <b>823.64</b>                        | <b>424.30</b>                        |

(Rs. in Lakhs)

| Particulars  | Statement of Profit or Loss          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| 1. Items disallowed u/s 43B of Income Tax Act, 1961            | (3.25)                               | 26.66                                |
| 2. Difference in book depreciation and income tax depreciation | 402.81                               | 79.75                                |
| 3. Others  | (1.58)                               | (0.69)                               |
| <b>Deferred tax expense/(income)</b>                           | <b>397.98</b>                        | <b>105.72</b>                        |

### (d) Reconciliation of deferred tax (assets)/liabilities

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Balance as at beginning                                    | 424.30                               | 314.95                               |
| Tax (income)/expense during the period recognised in:      |                                      |                                      |
| (i) Statement of Profit and Loss in Profit or Loss section | 397.98                               | 105.72                               |
| (ii) Statement of Profit and Loss under OCI section        | 1.36                                 | 3.64                                 |
| <b>Balance as at the year ended</b>                        | <b>823.64</b>                        | <b>424.30</b>                        |

### 29. Earning per Share

(Rs. in Lakhs)

|  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| (a) Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share                 | 5,679.95                             | 4,620.80                             |
| (b) Weighted average number of equity shares used as the denominator in calculating basic earnings per share:                              | 2,79,21,505                          | 2,52,49,189                          |
| (c) Adjustments for calculation of diluted earnings per share (Issue of Warrants)(Number)  | 30,48,361                            | 9,173                                |
| (d) Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 3,09,69,866                          | 2,52,58,362                          |
| <b>Basic earnings per share (a/b)</b>  | <b>20.34</b>                         | <b>18.30</b>                         |
| <b>Diluted earnings per share (a/d)</b>  | <b>18.34</b>                         | <b>18.29</b>                         |

## Notes to financial statements

for the year ended March 31, 2024

### 30 Disclosure pursuant to Ind AS 19 “Employee Benefits”

#### (a) Defined contribution plans:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognised Rs.125.71 Lakhs (Year ended March 31, 2023 Rs.28.79 Lakhs) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

#### (b) Defined benefit plans:

##### Employee benefit Obligation :

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on a year end actuarial valuation.

**Movement of defined benefit obligation:** The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rs. in Lakhs)

| Changes in the Present Value of Obligation      | For the year ended<br>March 31, 2024      | For the year ended<br>March 31, 2023 |
|---|---|--------------------------------------|
|   | refer para 140(a)(ii) and 141 of Ind AS19 |                                      |
| <b>PV Obligation as at the start:</b>           | <b>34.98</b>                              | <b>37.46</b>                         |
| Acquisition adjustment -                        |   |                                      |
| Interest Cost                                   | 2.59                                      | 2.68                                 |
| Past Service Cost                               | -   | -                                    |
| Current Service Cost                            | 17.22                                     | 9.30                                 |
| Curtailment Cost / (Credit)                     | -   | -                                    |
| Settlement Cost / (Credit)                      | -   | -                                    |
| Benefits paid/Due to be Paid                    | -   | -                                    |
| Actuarial (gain)/ loss on obligation.           | (5.46)                                    | -14.46                               |
| <b>PV of Obligation as at the end:</b>          | <b>49.33</b>                              | <b>34.98</b>                         |
| <b>Bifurcation of Accrued Liability</b>         |   |                                      |
| Current Liability (Short term)                  | 5.00                                      | 2.84                                 |
| Non-Current Liability (Long term)               | 44.33                                     | 32.14                                |
| <b>Total Accrued Liability</b>                  | <b>49.33</b>                              | <b>34.98</b>                         |
| <b>Changes in the Fair Value of Plan Assets</b> | refer para 140(a)(ii) and 141 of Ind AS19 |                                      |
| FV of Plan Assets at the start:                 | <b>17.92</b>                              | <b>16.80</b>                         |
| Acquisition Adjustments                         | (0.11)                                    | (0.10)                               |
| Exp. Return on Plan Assets                      | 1.32                                      | 1.20                                 |
| Contributions (net)                             | -   | -                                    |
| Benefits Paid                                   | (0.23)                                    | -                                    |

## Notes to financial statements

for the year ended March 31, 2024

|  | For the year ended<br>March 31, 2024       | For the year ended<br>March 31, 2023 |
|--|--|--------------------------------------|
|  |  |                                      |
| <b>Changes in the Present Value of Obligation</b>  |  |                                      |
|  | refer para 140(a)(ii) and 141 of Ind AS19  |                                      |
| Actuarial Gain /( loss) on Assets  | (0.02)                                     | 0.02                                 |
| <b>FV of Plan Assets at the end:</b>   | <b>18.89</b>                               | <b>17.92</b>                         |
| <b>Change in the Effect of Asset Ceiling</b>   | refer para 140(a)(iii) and 141 of Ind AS19 |                                      |
| Effect of Asset Ceiling at the beginning   |  |                                      |
| Interest Expense or Cost (to the extent not recognised in net interest expense)                      |  |                                      |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling       |  |                                      |
| Effect of Asset Ceiling at the end   |  |                                      |
| <b>Expenses Recognised in the Income Statement</b>   | refer para 57(c) of Ind AS19               |                                      |
| Current Service Cost   | 17.22                                      | 9.30                                 |
| Past Service Cost  |  |                                      |
| Expected Return on Plan Assets   | (1.32)                                     | (1.20)                               |
| Interest cost  | 2.59                                       | 2.68                                 |
| <b>Expenses Recognised in the Income Statement</b>   | <b>18.49</b>                               | <b>10.78</b>                         |
| <b>Other Comprehensive Income</b>  | refer para 57(c) of Ind AS19               |                                      |
| Actuarial (gain)/ loss on obligations - change in financial assumptions                              | -  | -                                    |
| Actuarial (gain)/ loss on obligations - change in demographic assumptions                            | -  | -                                    |
| Actuarial (gain)/ loss on obligations - experience variance (i.e. Actual experience vs. assumptions) | (5.46)                                     | -14.46                               |
| <b>Total Actuarial (gain)/ loss on obligations</b>   | <b>(5.46)</b>                              | <b>-14.46</b>                        |
| Actuarial Gain /( loss) on Plan Assets   | (0.02)                                     | 0.02                                 |
| <b>Total OCI</b>   | <b>(5.44)</b>                              | <b>-14.47</b>                        |
| Return on plan assets, excluding amount recognised in net interest expense                           |  |                                      |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling       |  |                                      |
| Components of defined benefit costs recognised in other comprehensive income                         |  |                                      |
| <b>Major categories of Plan Assets (as percentage of Total Plan Assets)</b>                          |  |                                      |
| Government of India securities   | Nil  | Nil                                  |
| State Government securities  | Nil  | Nil                                  |
| High quality corporate bonds   | Nil  | Nil                                  |
| Equity shares of listed companies  | Nil  | Nil                                  |
| Property   | Nil  | Nil                                  |
| Special Deposit Scheme   | Nil  | Nil                                  |

## Notes to financial statements

for the year ended March 31, 2024

| Changes in the Present Value of Obligation | For the year ended<br>March 31, 2024      | For the year ended<br>March 31, 2023 |
|--|---|--------------------------------------|
|  | refer para 140(a)(ii) and 141 of Ind AS19 |                                      |
| Funds managed by Insurer                   | 100%                                      | 100%                                 |
| Bank balance                               | Nil                                       | Nil                                  |
| Other Investments--LIC                     | Nil                                       | Nil                                  |
| <b>Total</b>                               |   |                                      |
| <b>Financial Assumptions</b>               |   |                                      |
| Discount rate (per annum)                  | <b>7.10%</b>                              | <b>7.40%</b>                         |
| Salary growth rate (per annum)             | <b>4.00%</b>                              | <b>4.00%</b>                         |

### 31 Related party transactions and disclosures:

**31.1** Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year:

#### A) List of Related Parties :

| Name  | Relationship          | Designation                            |
|---|-----------------------|--|
| Rupesh Kumar Gupta  | Key Managerial Person | Managing Director                      |
| Sailesh Gupta   | Key Managerial Person | Whole Time Director                    |
| Sunita Gupta  | Key Managerial Person | Non-Executive Director                 |
| Rajender Reddy Gankidi  | Key Managerial Person | Independent Director                   |
| Shanti Sree Bolleni (Resigned with effect from October 15, 2022)  | Key Managerial Person | Independent Director                   |
| Soumen Bose (Independent Director upto January 02, 2024, Non-Executive Director w.e.f January 03, 2024) | Key Managerial Person | Non-Executive Director                 |
| Sneha Sankla  | Key Managerial Person | Independent Director                   |
| Pramod Kumar Kapoor   | Key Managerial Person | Independent Director                   |
| Amitabha Bhattacharya   | Key Managerial Person | Chief Financial Officer                |
| Chirag Partani (Resigned with effect from October 10, 2023)   | Key Managerial Person | Company Secretary & Compliance Officer |
| Rekha Singh (Appointed With Effect From October 10, 2023)   | Key Managerial Person | Company Secretary & Compliance Officer |
| Rakesh Kumar Gupta  | Director's Relative   | Executive                              |
| Parul Gupta   | Director's Relative   | Executive                              |
| Isha Gupta  | Director's Relative   | Executive                              |
| Ansh Golas  | Director's Relative   | Executive                              |

#### B) Enterprises owned or significantly influenced by key managerial personnel:

Reo Solutions Pvt. Ltd.  
Ansh Commerce Pvt. Ltd.  
Lakshit Trade Link  
Ultra Pipes

## Notes to financial statements

for the year ended March 31, 2024

### C) The following transactions were carried out with related parties in ordinary course of business

(Rs. in Lakhs)

| Particulars                                   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>(a) Employee benefits expense</b>          |                                      |                                      |
| <b>(i) Short term employee benefits</b>       |                                      |                                      |
| <b>Salaries</b>                               |                                      |                                      |
| Rupesh Kumar Gupta                            | 341.11                               | 180.00                               |
| Sailesh Gupta                                 | 305.11                               | 144.00                               |
| Soumen Bose                                   | 7.96                                 | -                                    |
| Parul Gupta                                   | 36.00                                | 36.00                                |
| Isha Gupta                                    | 36.00                                | 36.00                                |
| Rakesh Kumar Gupta                            | 48.00                                | 36.00                                |
| Ansh Golas                                    | 23.78                                | 11.78                                |
| Amitabha Bhattacharya                         | 42.98                                | 35.78                                |
| Chirag Partani                                | 9.64                                 | 15.98                                |
| Rekha Singh                                   | 6.52                                 | -                                    |
| <b>Total</b>                                  | <b>857.10</b>                        | <b>495.55</b>                        |
| <b>(ii) Keymen insurance premium paid for</b> |                                      |                                      |
| Rupesh Kumar Gupta                            | 20.00                                | 20.00                                |
| Sailesh Gupta                                 | 20.00                                | 20.00                                |
| <b>Total</b>                                  | <b>40.00</b>                         | <b>40.00</b>                         |
| <b>(b) Director's sitting fees:</b>           |                                      |                                      |
| Sunita Gupta                                  | 0.55                                 | 0.90                                 |
| Pramod Kumar Kapoor                           | 1.60                                 | 2.40                                 |
| Rajender Reddy Gankidi                        | 2.15                                 | 3.03                                 |
| Shanti Sree Bolleni                           | -                                    | 1.08                                 |
| Soumen Bose                                   | 1.60                                 | 1.75                                 |
| Sneha Sankla                                  | 1.30                                 | 0.60                                 |
| <b>Total</b>                                  | <b>7.20</b>                          | <b>9.75</b>                          |
| <b>(c) Rent Paid :</b>                        |                                      |                                      |
| Rupesh Kumar Gupta                            | 15.60                                | 10.35                                |
| Sailesh Gupta                                 | 6.00                                 | 6.00                                 |
| Parul Gupta                                   | -                                    | 2.10                                 |
| <b>Total</b>                                  | <b>21.60</b>                         | <b>18.45</b>                         |



## Notes to financial statements

for the year ended March 31, 2024

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| <b>(d) Sales of Goods</b>                                    |                                      |                                      |
| Ultra Pipes  | 3,193.82                             | 3,936.28                             |
| <b>(e) Purchase of Goods</b>                                 |                                      |                                      |
| Ultra Pipes  | 7,982.91                             | 3,369.45                             |
| Lakshit Trade Link   | -                                    | 21.21                                |
| <b>Total</b>   | <b>7,982.91</b>                      | <b>3,390.66</b>                      |
| <b>(f) Issue of Share Warrants</b>                           |                                      |                                      |
| Rupesh Kumar Gupta   | -                                    | 226.41                               |
| Sailesh Gupta  | -                                    | 226.41                               |
| Rakesh Kumar Gupta   | -                                    | 301.88                               |
| <b>Total</b>   | <b>-</b>                             | <b>754.69</b>                        |
| <b>(g) Advance Recovery From Employees</b>                   |                                      |                                      |
| Ansh Golas   | 4.20                                 | 1.38                                 |
| Amitabha Bhattacharya  | 3.44                                 | 2.47                                 |
| Chirag Partani   | 3.08                                 | 0.52                                 |
| <b>Total</b>   | <b>10.72</b>                         | <b>4.36</b>                          |
| <b>(h) Unsecured Loans Taken</b>                             |                                      |                                      |
| Rupesh Kumar Gupta   | 29.12                                | 40.00                                |
| Sailesh Gupta  | -                                    | 40.00                                |
| <b>Total</b>   | <b>29.12</b>                         | <b>80.00</b>                         |
| <b>(i) Unsecured Loans repaid</b>                            |                                      |                                      |
| Rupesh Kumar Gupta   | -                                    | 69.79                                |
| Sailesh Gupta  | -                                    | 131.10                               |
| Sunita Gupta   | -                                    | 30.78                                |
| <b>Total</b>   | <b>-</b>                             | <b>231.66</b>                        |
| <b>(j) Redemption of Preference Share Capital</b>            |                                      |                                      |
| Sailesh Gupta  | -                                    | 33.62                                |
| <b>Total</b>   | <b>-</b>                             | <b>33.62</b>                         |
| <b>(k) Balances Outstanding at the end of the year</b>       |                                      |                                      |
| <b>i. Outstanding Unsecured Loan (Long term Borrowings):</b> |                                      |                                      |
| Rupesh Kumar Gupta   | 29.12                                | -                                    |
| <b>Total</b>   | <b>29.12</b>                         | <b>-</b>                             |

## Notes to financial statements

for the year ended March 31, 2024

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>ii. Expenses payable:</b>  |                                      |                                      |
| Rupesh Kumar Gupta  | 71.83                                | 9.56                                 |
| Sailesh Gupta   | 66.24                                | 8.41                                 |
| Parul Gupta   | 2.34                                 | -                                    |
| Isha Gupta  | 2.34                                 | -                                    |
| Rakesh Kumar Gupta  | 3.02                                 | -                                    |
| <b>Total</b>  | <b>145.76</b>                        | <b>17.97</b>                         |
| <b>iii. Advance to Employees**</b>  |                                      |                                      |
| Ansh Golas  | 9.11                                 | 11.36                                |
| Amitabha Bhattacharya   | 10.97                                | 13.72                                |
| Chirag Partani  | -                                    | 2.74                                 |
| <b>Total</b>  | <b>20.08</b>                         | <b>27.83</b>                         |
| <i>** Note: Balances are after giving effect of Effective Interest Rate (EIR) as per provisions of IND AS 109</i> |                                      |                                      |
| <b>iv. Trade Receivable</b>   |                                      |                                      |
| Ultra Pipes   | -                                    | 924.57                               |
| <b>Total</b>  | <b>-</b>                             | <b>924.57</b>                        |
| <b>v. Advance to Supplier</b>   |                                      |                                      |
| Lakshit Trade Link  | -                                    | 39.63                                |
| <b>Total</b>  | <b>-</b>                             | <b>39.63</b>                         |

**31.2** The transactions with the related parties are made on an arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash.

**31.3** The Company has not recorded any impairment of receivables relating to amount owed by related parties nor made any provision for bad debts. This assessment is undertaken at the year end through examining the financial position of the related parties and the market in which the related parties operate.

## Notes to financial statements

for the year ended March 31, 2024

### 32 Contingent Liabilities And Commitments

(Rs. in Lakhs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>32.1 Contingent liabilities not provided for in respect of:</b> |                         |                         |
| a. Claims against the company not acknowledged as debts:           |                         |                         |
| Disputed tax demands*  | 612.42                  | 592.71                  |
| b. Bank Guarantees   | -                       | 1.31                    |
|  | <b>612.42</b>           | <b>594.02</b>           |
| <b>32.2 Capital &amp; Other Commitments</b>                        | 118.31                  | 953.36                  |

**32.3** \* ITAT has decided the appeal in company's favour by allowing the company's claim against the disputed demand of Rs.35.05 Lakhs(previous year Rs.35.05 Lakhs) included in the above amount as per its order dated October 5, 2016, pending appellate order effect as at the year end.

**32.4** The Company does not expect any reimbursements in respect of the above contingent liabilities.

**32.5** It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at 32.1(a) above pending resolution of the legal proceedings. Further, the liability mentioned in 32.1(a) above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote.

### 33 Segment Reporting

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the company's performance and allocates resources based on an analysis of various indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of Manufacturing & selling of Steel Products, which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

(a) The company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.

#### (b) Revenues

(Rs. in Lakhs)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--------------|--------------------------------------|--------------------------------------|
| Domestic     | 1,15,318.77                          | 64,371.21                            |
| Export       | -                                    | -                                    |
| <b>Total</b> | <b>1,15,318.77</b>                   | <b>64,371.21</b>                     |

There are no assets in foreign countries held by the Company.

(c) The company boasts a diverse customer base with no single major customer or external group representing more than 10% of its revenue.

## Notes to financial statements

for the year ended March 31, 2024

### Note No. 34: Financial Instruments classification by category

(a) The carrying value and fair value of financial instruments at the end is as under:

As at March 31, 2024

(Rs. in Lakhs)

| 34.1                                     | Particulars                               | (Refer Note No. To The Financial Statements) | At Cost          | At Amortised Cost | At Fair Value Through Profit Or Loss | At Fair Value Through Other Comprehensive Income (OCI) | Total Carrying Value 31 March 2024 | Total Fair Value |
|--|---|--|------------------|-------------------|--------------------------------------|--|------------------------------------|------------------|
| <b>(1) Assets</b>                        |   |  |                  |                   |                                      |  |                                    |                  |
| <b>Non-Current Financial Assets</b>      |   |  |                  |                   |                                      |  |                                    |                  |
|  | (I) Other Financial Assets                | 3  | 1,303.78         | 1,303.78          | -                                    | -  | 1,303.78                           | 1,303.78         |
| <b>Current Financial Assets</b>          |   |  |                  |                   |                                      |  |                                    |                  |
|  | (I) Trade Receivables                     | 6  | 12,207.31        | 12,207.31         | -                                    | -  | 12,207.31                          | 12,207.31        |
|  | (ii) Cash And Cash Equivalents            | 7(a)   | 177.97           | 177.97            | -                                    | -  | 177.97                             | 177.97           |
|  | (iii) Bank Balances Other Than (ii) Above | 7(b)   | 3,001.00         | 3,001.00          | -                                    | -  | 3,001.00                           | 3,001.00         |
|  | (iv) Other Financial Assets               | 8  | 230.34           | 230.34            | -                                    | -  | 230.34                             | 230.34           |
| <b>Total Financial Assets</b>            |   |  | <b>16,920.40</b> | <b>16,920.40</b>  | -                                    | -  | <b>16,920.40</b>                   | <b>16,920.40</b> |
| <b>(2) Liabilities</b>                   |   |  |                  |                   |                                      |  |                                    |                  |
| <b>Non-Current Financial Liabilities</b> |   |  |                  |                   |                                      |  |                                    |                  |
|  | (I) Borrowings                            | 12   | 11,970.82        | 11,970.82         | -                                    | -  | 11,970.82                          | 11,970.82        |
| <b>Current Financial Liabilities</b>     |   |  |                  |                   |                                      |  |                                    |                  |
|  | (I) Borrowings                            | 15   | 25,117.72        | 25,117.72         | -                                    | -  | 25,117.72                          | 25,117.72        |
|  | (ii) Trade Payables                       | 16   | 1,890.80         | 1,890.80          | -                                    | -  | 1,890.80                           | 1,890.80         |
|  | (iii) Other Financial Liabilities         | 17   | 1,059.53         | 1,059.53          | -                                    | -  | 1,059.53                           | 1,059.53         |
| <b>Total Financial Liabilities</b>       |   |  | <b>40,038.87</b> | <b>40,038.87</b>  | -                                    | -  | <b>40,038.87</b>                   | <b>40,038.87</b> |

## Notes to financial statements

for the year ended March 31, 2024

As at March 31, 2023

(Rs. in Lakhs)

| Particulars                               | (Refer Note No. To The Financial Statements) | At Cost          | At Amortised Cost | At Fair Value Through Profit Or Loss | At Fair Value Through Other Comprehensive Income (OCI) | Total Carrying Value 31 March 2024 | Total Fair Value |
|---|--|------------------|-------------------|--------------------------------------|--|------------------------------------|------------------|
| <b>(1) Assets</b>                         |  |                  |                   |                                      |  |                                    |                  |
| <b>Non-Current Financial Assets</b>       |  |                  |                   |                                      |  |                                    |                  |
| (I) Other Financial Assets                | 3  | 95.52            | 95.52             | -                                    | -  | 95.52                              | 95.52            |
| <b>Current Financial Assets</b>           |  |                  |                   |                                      |  |                                    |                  |
| (I) Trade Receivables                     | 6  | 8,611.68         | 8,611.68          | -                                    | -  | 8,611.68                           | 8,611.68         |
| (ii) Cash And Cash Equivalents            | 7(a)   | 10,404.27        | 10,404.27         | -                                    | -  | 10,404.27                          | 10,404.27        |
| (iii) Bank Balances Other Than (ii) Above | 7(b)   | 68.13            | 68.13             | -                                    | -  | 68.13                              | 68.13            |
| (iv) Other Financial Assets               | 8  | 14.62            | 14.62             | -                                    | -  | 14.62                              | 14.62            |
| <b>Total Financial Assets</b>             |  | <b>19,194.22</b> | <b>19,194.22</b>  | <b>-</b>                             | <b>-</b>   | <b>19,194.22</b>                   | <b>19,194.22</b> |
| <b>(2) Liabilities</b>                    |  |                  |                   |                                      |  |                                    |                  |
| <b>Non-Current Financial Liabilities</b>  |  |                  |                   |                                      |  |                                    |                  |
| (I) Borrowings                            | 12   | 12,519.40        | 12,519.40         | -                                    | -  | 12,519.40                          | 12,519.40        |
| <b>Current Financial Liabilities</b>      |  |                  |                   |                                      |  |                                    |                  |
| (I) Borrowings                            | 15   | 17,082.41        | 17,082.41         | -                                    | -  | 17,082.41                          | 17,082.41        |
| (ii) Trade Payables                       | 16   | 1,631.31         | 1,631.31          | -                                    | -  | 1,631.31                           | 1,631.31         |
| (iii) Other Financial Liabilities         | 17   | 874.93           | 874.93            | -                                    | -  | 874.93                             | 874.93           |
| <b>Total Financial Liabilities</b>        |  | <b>32,108.04</b> | <b>32,108.04</b>  | <b>-</b>                             | <b>-</b>   | <b>32,108.04</b>                   | <b>32,108.04</b> |

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 34.2 Fair Value Measurement

#### (i) Fair Value hierarchy

Level 1 - Quoted Prices (Unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from price)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)



## Notes to financial statements

for the year ended March 31, 2024

### Note 35 Financial risk management

The Company's activities expose it to a variety of financial risks namely

- Market risk,
- Credit risk and
- Liquidity risk.

The Board of Directors has established a Risk Management Committee to oversee the company's Risk Management Framework. This committee is responsible for developing and monitoring the company's risk management policy. These policy aim to ensure timely identification and evaluation of risks, establish acceptable risk thresholds, map controls against these risks, monitor risks and their limits, enhance risk awareness and transparency. Regular reviews of risk management policy and systems are conducted to reflect changes in market conditions and company activities, providing reliable information to management and the board for evaluating the adequacy of the risk management framework in relation to the risks faced by the company.

#### i. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, financial assets and other current assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The history of trade receivables shows no provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of nonperformance by any of the Company's counterparties. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers.

### Reconciliation of loss allowance provision – Trade receivables

|                           |   |   |   |
|---------------------------|---|---|---|
| Opening balance           | - | - | - |
| Changes in loss allowance | - | - | - |
| Closing balance           | - | - | - |

#### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## Notes to financial statements

for the year ended March 31, 2024

### (a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

(Rs. in Lakhs)

| PARTICULARS                                 | Carrying Amounts<br>March 31, 2024 | Contractual cash flows |                 |                   | Total            |
|---|------------------------------------|------------------------|-----------------|-------------------|------------------|
|   |                                    | Less than 1 year       | 1-5 years       | More than 5 years |                  |
| <b>Non-derivative financial liabilities</b> |                                    |                        |                 |                   |                  |
| Borrowings (Current and Non Current)        | 37,088.54                          | 25,117.72              | 9,598.01        | 2,372.82          | 37,088.54        |
| Trade payables                              | 1,890.80                           | 1,890.80               |                 |                   | 1,890.80         |
| Other current financial liabilities         | 1,059.53                           | 1,059.53               |                 |                   | 1,059.53         |
| <b>Total non-derivative liabilities</b>     | <b>40,038.87</b>                   | <b>28,068.05</b>       | <b>9,598.01</b> | <b>2,372.82</b>   | <b>40,038.87</b> |

(Rs. in Lakhs)

| PARTICULARS                                 | Carrying Amounts<br>March 31, 2023 | Contractual cash flows |                 |                   | Total            |
|---|------------------------------------|------------------------|-----------------|-------------------|------------------|
|   |                                    | Less than 1 year       | 1-5 years       | More than 5 years |                  |
| <b>Non-derivative financial liabilities</b> |                                    |                        |                 |                   |                  |
| Borrowings (Current and Non Current)        | 29,601.80                          | 17,082.41              | 9,286.39        | 3,233.01          | 29,601.80        |
| Trade payables                              | 1,631.31                           | 1,631.31               |                 |                   | 1,631.31         |
| Other current financial liabilities         | 874.93                             | 874.93                 |                 |                   | 874.93           |
| <b>Total non-derivative liabilities</b>     | <b>32,108.04</b>                   | <b>19,588.65</b>       | <b>9,286.39</b> | <b>3,233.01</b>   | <b>32,108.04</b> |

### iii. Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

### iv. Foreign currency risk

The functional currency of the company is Indian Rupees (INR), but it engages in transactions denominated in foreign currencies, thereby exposing it to exchange rate fluctuations. These fluctuations impact the company's costs of imports, particularly concerning raw materials. Adverse movements in the exchange rate between the Rupee and foreign currencies increase the company's overall debt position in Rupee terms without the company incurring additional debt.

There has been no significant impact in Company's financial position with change in exchange rates.

### v. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

## Notes to financial statements

for the year ended March 31, 2024

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(Rs. in Lakhs)

| Particulars  | 31-Mar-24        | 31-Mar-23        |
|--|------------------|------------------|
| Fixed rate borrowings                              | 209.93           | 152.82           |
| Floating rate borrowings                           | 36,725.64        | 29,333.77        |
| <b>Total borrowings</b>                            | <b>36,935.56</b> | <b>29,486.59</b> |
| <b>% of Floating rate burrowing to total loans</b> | <b>99.4%</b>     | <b>99.5%</b>     |

### Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

| PARTICULARS                 | Profit or loss |                | Equity, net of tax |                |
|-----------------------------|----------------|----------------|--------------------|----------------|
|                             | 50 bp increase | 50 bp decrease | 50 bp increase     | 50 bp decrease |
| <b>As at March 31, 2024</b> |                |                |                    |                |
| Variable-rate instruments   | 8.68%          | 8.68%          |                    |                |
| Cash flow sensitivity       | -183.63        | 183.63         |                    |                |
| <b>As at March 31, 2023</b> |                |                |                    |                |
| Variable-rate instruments   | 9.50%          | 9.50%          |                    |                |
| Cash flow sensitivity       | -49.76         | 49.76          |                    |                |

### Fair value sensitivity analysis for fixed-rate instruments

There is no foreign currency exposure.

### Note no 36 - Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

(Rs. in Lakhs)

| Sr. No. | Particulars            | Note | As at March 31, 2024 |                     |           | As at March 31, 2023 |                     |           |
|---------|------------------------|------|----------------------|---------------------|-----------|----------------------|---------------------|-----------|
|         |                        |      | Within twelve months | After twelve months | Total     | Within twelve months | After twelve months | Total     |
| 1       | Inventories            | 5    | 29,653.98            | -                   | 29,653.98 | 21,217.31            | -                   | 21,217.31 |
| 2       | Trade receivables      | 6    | 12,207.31            | -                   | 12,207.31 | 8,611.68             | -                   | 8,611.68  |
| 3       | Other financial assets | 8    | 230.34               | -                   | 230.34    | 14.62                | -                   | 14.62     |
| 4       | Other current assets   | 9    | 2,888.15             | -                   | 2,888.15  | 2,650.11             | -                   | 2,650.11  |

## Notes to financial statements

for the year ended March 31, 2024

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

(Rs. in Lakhs)

| Sr. No. | Particulars                                    | Note | As at March 31, 2024 |                     |          | As at March 31, 2023 |                     |          |
|---------|--|------|----------------------|---------------------|----------|----------------------|---------------------|----------|
|         |  |      | Within twelve months | After twelve months | Total    | Within twelve months | After twelve months | Total    |
| 1       | Trade payables:                                | 16   |                      |                     |          |                      |                     |          |
|         | Due to micro enterprises and small enterprises |      | 97.47                | -                   | 97.47    | -                    | -                   | -        |
|         | Due to others                                  |      | 1,793.33             | -                   | 1,793.33 | 1,631.31             | -                   | 1,631.31 |
| 3       | Other financial liabilities                    | 17   | 1,059.53             | -                   | 1,059.53 | 874.93               | -                   | 874.93   |
| 4       | Other current liabilities                      | 18   | 283.10               | -                   | 283.10   | 263.18               | -                   | 263.18   |
| 5       | Provisions                                     | 19   | 5.00                 | -                   | 5.00     | 5.15                 | -                   | 5.15     |

### 37 Value of financial assets and inventories hypothecated as collateral for liabilities and/or commitments and/or contingent liabilities:

(Rs. in Lakhs)

| Particulars  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Current:   |                      |                      |
| Inventories and trade receivables  | 41,861.29            | 29,828.99            |
| Cash and cash equivalents  | 177.97               | 10,404.27            |
| Other current and financial assets   | 3,118.49             | 2,664.74             |
| <b>Total inventories and current financial assets hypothecated as collateral</b> | <b>45,157.75</b>     | <b>42,898.00</b>     |
| Non-current:   |                      |                      |
| Fixed Deposits   | 1,290.40             | 82.69                |
| <b>Total non-current financial assets hypothecated as collateral</b>             | <b>1,290.40</b>      | <b>82.69</b>         |

38 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

#### Additional Regulatory Information:

### 39 Title deeds of Immovable Property not held in name of the Company:

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2(a) on Property, plant and equipment to the financial statements, are held in the name of the Company.

40 There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

## Notes to financial statements

for the year ended March 31, 2024

### 41 Wilful Defaulter:

- i. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- ii. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**42** The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

**43** The Registration of charge in respect of secured loans filed to ROC beyond the statutory period is NIL.

**44** The company does not have any subsidiary. Therefore clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

### 45 Ratios analysis and its Element

#### i) Current Ratio

(Rs. in Lakhs)

| Particulars                        | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Current Assets                     | 48,158.75               | 42,966.12               |
| Current Liabilities                | 28,656.66               | 20,303.18               |
| <b>Ratio</b>                       | <b>1.68</b>             | <b>2.12</b>             |
| % Change from previous period/year | <b>-20.59%</b>          |                         |

#### ii) Debt-Equity Ratio

(Rs. in Lakhs)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>(a) Total Debts</b>  |                         |                         |
| Borrowings - Non - Current Financial Liability (Secured - Term loan)        | 11,817.84               | 12,398.43               |
| Borrowings -Non - Current Financial Liability (Unsecured)                   | 152.98                  | 120.96                  |
| Borrowings - Current Financial Liability (Current maturities of Terms loan) | 2,925.80                | 2,213.29                |
| Borrowings - Current Financial Liability (Other Loan)                       | 22,191.92               | 14,869.12               |
| <b>Total Borrowings</b>   | <b>37,088.54</b>        | <b>29,601.80</b>        |
| <b>(b) Total Equity</b>   | <b>46,411.75</b>        | <b>37,516.66</b>        |
| <b>Debt-Equity Ratio = (a/b)</b>  | <b>0.80</b>             | <b>0.79</b>             |
| % Change from previous period/year  | <b>1.28%</b>            |                         |



## Notes to financial statements

for the year ended March 31, 2024

### iii) Debt Service Coverage Ratio

(Rs. in Lakhs)

| Particulars                                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>(a) Earnings available for debt services</b>   |                         |                         |
| Profit After Tax                                  | 5,679.95                | 4,620.80                |
| Finance costs                                     | 3,256.32                | 1,038.04                |
| Depreciation and amortisation expenses            | 3,386.58                | 942.45                  |
| <b>Total earnings available for debt services</b> | <b>12,322.84</b>        | <b>6,601.29</b>         |
| <b>(b) Interest and principal repayments</b>      |                         |                         |
| Finance Costs                                     | 3,256.32                | 1,038.04                |
| Repayment of Long term Debt for the current year  | 1,654.01                | 1,212.12                |
| <b>Total interest and principal repayments</b>    | <b>4,910.33</b>         | <b>2,250.16</b>         |
| <b>Debt Service Coverage Ratio = (a/b)</b>        | <b>2.51</b>             | <b>2.93</b>             |
| <b>% Change from previous period/year</b>         | <b>-14.46%</b>          |                         |

### iv) Inventory turnover ratio

(Rs. in Lakhs)

| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>(a) Cost of goods sold</b>             |                         |                         |
| Cost of materials consumed                | 94,641.61               | 49,472.02               |
| Changes in inventories of finished goods  | (7,594.51)              | (3,166.98)              |
| <b>Total cost of goods sold</b>           | <b>87,047.10</b>        | <b>46,305.04</b>        |
| <b>(b) Average inventories</b>            |                         |                         |
| Opening inventories                       | 21,217.31               | 11,479.00               |
| Closing inventories                       | 29,653.98               | 21,217.31               |
| <b>Average inventories</b>                | <b>25,435.65</b>        | <b>16,348.15</b>        |
| <b>Inventory turnover ratio = (a/b)</b>   | <b>3.42</b>             | <b>2.83</b>             |
| <b>% Change from previous period/year</b> | <b>20.82%</b>           |                         |

### v) Trade payables turnover ratio

(Rs. in Lakhs)

| Particulars                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>(a) Credit purchases</b>                  |                         |                         |
| Purchases raw material                       | 94,887.01               | 53,898.42               |
| Purchase store and spares                    | 596.76                  | 2,144.93                |
| <b>Total credit purchases</b>                | <b>95,483.77</b>        | <b>56,043.35</b>        |
| <b>(b) Average trade payables</b>            |                         |                         |
| Opening trade payables                       | 1,631.31                | 1,038.84                |
| Closing trade payables                       | 1,890.80                | 1,631.31                |
| <b>Average trade payables</b>                | <b>1,761.05</b>         | <b>1,335.08</b>         |
| <b>Trade payables turnover ratio = (a/b)</b> | <b>54.22</b>            | <b>41.98</b>            |
| <b>% Change from previous period/year</b>    | <b>29.16%</b>           |                         |

## Notes to financial statements

for the year ended March 31, 2024

### Reason for change more than 25%

The 29.16% increase in the Trade Payables Turnover Ratio is due to a substantial rise in credit purchases while maintaining a relatively stable level of average trade payables, indicating improved payment efficiency.

#### vi) Trade Receivables turnover ratio

(Rs. in Lakhs)

| Particulars                                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>(a) Credit sales</b>                        | 1,15,318.77             | 64,371.21               |
| <b>(b) Average trade receivables</b>           |                         |                         |
| Opening trade receivables                      | 8,611.68                | 2,689.57                |
| Closing trade receivables                      | 12,207.31               | 8,611.68                |
| <b>Average trade receivables</b>               | <b>10,409.49</b>        | <b>5,650.63</b>         |
| <b>Trade receivable turnover ratio = (a/b)</b> | <b>11.08</b>            | <b>11.39</b>            |
| <b>% Change from previous period/year</b>      | <b>-2.75%</b>           |                         |

#### vii) Net capital turnover ratio

(Rs. in Lakhs)

| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>(a) Sales</b>                          | 1,15,318.77             | 64,371.21               |
| <b>(b) Net working capital</b>            |                         |                         |
| Current assets (A)                        | 48,158.75               | 42,966.12               |
| Current liabilities (B)                   | 28,656.66               | 20,303.18               |
| Net working capital (C)= (A-B)            | 19,502.09               | 22,662.94               |
| <b>Net capital turnover ratio = (a/b)</b> | <b>5.91</b>             | <b>2.84</b>             |
| <b>% Change from previous period/year</b> | <b>108.18%</b>          |                         |

### Reason for change more than 25%

The ratio has increased from 2.84 in March 2023 to 5.91 due to higher sales and improved efficiency in utilizing net working capital.

#### viii) Net profit ratio

(Rs. in Lakhs)

| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| (a) Net profit after tax                  | 5,679.95                | 4,620.80                |
| (b) Sales                                 | 1,15,318.77             | 64,371.21               |
| <b>Net profit ratio = (a/b)</b>           | <b>4.93%</b>            | <b>7.18%</b>            |
| <b>% Change from previous period/year</b> | <b>-31.39%</b>          |                         |

### Reason for change more than 25%

The ratio has decreased primarily due to a substantial increase in depreciation and interest cost resulting from the company's capacity expansions.

## Notes to financial statements

for the year ended March 31, 2024

### ix) Return on Equity Ratio

(Rs. in Lakhs)

| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| (a) Net profit after tax                  | 5,679.95                | 4,620.80                |
| (b) Total equity                          | 46,411.75               | 37,516.66               |
| <b>Return on equity ratio = (a/b)</b>     | <b>12.24%</b>           | <b>12.32%</b>           |
| <b>% Change from previous period/year</b> | <b>-0.64%</b>           |                         |

### x) Return on capital employed

(Rs. in Lakhs)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>(a) EBIT</b>  |                         |                         |
| Net profit after tax                                   | 5,679.95                | 4,620.80                |
| Finance costs  | 3,256.32                | 1,038.04                |
| Total tax expense                                      | 2,056.30                | 1,661.86                |
| <b>Total EBIT</b>                                      | <b>10,992.56</b>        | <b>7,320.70</b>         |
| <b>(b) Capital Employed</b>                            |                         |                         |
| Total equity   | 46,411.75               | 37,516.66               |
| Borrowings - Financial liability (Secured - Term loan) | 11,817.84               | 12,398.43               |
| Borrowings - Financial liability (Unsecured)           | 152.98                  | 120.96                  |
| <b>Total borrowings</b>                                | <b>11,970.82</b>        | <b>12,519.40</b>        |
| <b>Total capital employed</b>                          | <b>58,382.58</b>        | <b>50,036.06</b>        |
| <b>Return on Capital employed = (a/b)</b>              | <b>18.83%</b>           | <b>14.63%</b>           |
| <b>% Change from previous period/year</b>              | <b>28.69%</b>           |                         |

#### Reason for change more than 25%

The ratio has increased from 14.63% in March 2023 to 18.83% due to higher EBIT driven by increased net profit and better financial management, highlighting improved efficiency in utilizing capital for generating profits.

### xi) Return on investment

(Rs. in Lakhs)

| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>(a) Total income</b>                   |                         |                         |
| Profit before tax (1 - tax rate) (A)      | 5,789.19                | 4,701.44                |
| Finance costs (1 - tax rate) (B)          | 2,436.77                | 776.79                  |
| <b>Total income (a) = (A)+(B)</b>         | <b>8,225.95</b>         | <b>5,478.23</b>         |
| <b>(b) Total assets</b>                   | <b>88,024.24</b>        | <b>70,918.45</b>        |
| <b>Return on investment = (a/b)</b>       | <b>9.35%</b>            | <b>7.72%</b>            |
| <b>% Change from previous period/year</b> | <b>20.98%</b>           |                         |

## Notes to financial statements

for the year ended March 31, 2024

- 46** There is no scheme of arrangements approved by the competent authority in terms of section 230 to 237 of the companies Act, 2013 during the year.
- 47** The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 48** The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 49** The Company has not surrendered or disclosed as income or the previously unrecorded income and related assets during the year in the tax assessments which are not recorded in the books of accounts of the company.
- 50** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### **51 Disclosures under Rule 11(f) of the Company (Audit & Auditors) Rule, 2014 - Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. The Company declares and pays dividends in Indian rupees.

The Board of Directors in their meeting held on May 17, 2024 recommended a final dividend of Rs.0.60 per equity share(subject to TDS as applicable) for the year ended March 31, 2024, subject to the approval of shareholders in the upcoming Annual General Meeting of the Company. If approved, this will result in a cash outflow of approximately Rs. 173.19 Lakhs.

- 52** Previous year figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date annexed hereto.

**FOR R KABRA & CO. LLP**

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

**Ram S Verma**

(Partner)

Membership No: 038913

UDIN : 24038913BKFXFU3458

Place : Hyderabad

Date : May 17, 2024

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

Sd/-

**Rupesh Kumar Gupta**

(Managing Director)

DIN 00540787

Sd/-

**Amitabha Bhattacharya**

Chief Financial Officer

Place: Hyderabad

Date : May 17, 2024

Sd/-

**Sailesh Gupta**

(Whole Time Director)

DIN 00540862

Sd/-

**Rekha Singh**

Company Secretary

Membership No: A33986

**NOTICE**



# NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting ("AGM") of the Members of **Hariom Pipe Industries Limited** (CIN: L27100TG2007PLC054564) will be held on Monday, September 23, 2024 at 11.30 A.M (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2024 along with the Reports of the Directors and the Auditors.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members be and are hereby considered, approved and adopted."

- 2. To appoint Mrs. Sunita Gupta (DIN: 02981707) as a Director of the Company, liable to retire by rotation.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Sunita Gupta (DIN: 02981707), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

- 3. To declare dividend on equity shares for the financial year ended March 31, 2024.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a dividend at the rate of ₹0.60 paisa (@ 6%) per equity share of ₹10/- (Rupees Ten only) each fully paid-up equity share of the Company, be and is hereby declared for the financial year ended March 31, 2024, as recommended by the Board of Directors, in its meeting held on May 17, 2024 and that the said dividend be paid out of the profits of the Company to eligible equity shareholders."

## SPECIAL BUSINESS:

- 4. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2025:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Seshadri & Associates, (Firm Regn. No 101476), Cost Auditors of the Company, for the FY 2024-25, amounting to ₹50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of all out-of-pocket expenses incurred in connection with the cost audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take all such steps and to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution."

BY ORDER OF THE BOARD  
**For Hariom Pipe Industries Limited**

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

Place: Hyderabad  
Date: August 09, 2024

## Notes:

1. The Ministry of Corporate Affairs ('MCA'), *inter-alia*, vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and subsequent circulars issued in this regard, the latest being Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (collectively referred to as "SEBI Circulars") has permitted to conduct the Annual General Meeting (AGM) of the Company through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue.

In compliance with the applicable provisions of the Act and the SEBI Listing Regulations read with aforesaid Circulars (MCA Circulars and SEBI Circulars), the 17<sup>th</sup> Annual General Meeting of the Company will be held through VC/OAVM on Monday, September 23, 2024, at 11:30 AM (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at 3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad – 500048, Telangana, India.

2. The Company has appointed Central Depository Services (India) Limited (CDSL) to provide VC/OAVM (Video Conferencing) and e-Voting facility for the e-AGM.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules made thereunder, Secretarial Standard on General Meetings (SS-2) and SEBI Listing Regulations wherever applicable, in respect of the items of Special Business set out in the notice, is annexed hereto and forms part of the Notice.
4. 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 through VC/OAVM pursuant to the aforesaid Circulars, 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, Attendance Slip and Route Map of the venue of AGM are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body

corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.

5. In compliance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 and aforesaid Circulars, Notice of the 17<sup>th</sup> AGM along with Annual Report 2023-24 are being sent only through electronic mode to those Members whose e-mail addresses are registered with Company/ Depository Participant(s). The Company shall send physical copy of the Annual Report 2023-24 to the Members who specifically request for the same by sending an email at [cs@hariompipes.com](mailto:cs@hariompipes.com). Members may note that the Annual Report 2023-24 containing Notice, Financial Statements and Other Documents will also be available on the website of the Company ([www.hariompipe.com](http://www.hariompipe.com)), website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)) and on the websites of the Stock Exchanges, i.e., BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India ([www.nseindia.com](http://www.nseindia.com)).
6. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's RTA, Bigshare Services Private Limited, having its registered office at 306, Right Wing, 3rd Floor, Amurtha Ville, Opp. Yashoda Hospitals, Somajiguda, Raj Bhavan Road, Hyderabad – 500082, e-mail:[bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com).
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 17<sup>th</sup> Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.
8. The Members can join the AGM through the VC / OAVM mode 15 (fifteen) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis. This will not include 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., who are allowed to attend the AGM without restriction on account of first come first served basis.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  10. In line with the aforesaid MCA Circulars, the Notice calling the 17<sup>th</sup> AGM has been uploaded on the website of the Company at [www.hariompipe.com](http://www.hariompipe.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com).
  11. The AGM has been convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA Circulars.
  12. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a scanned copy (PDF/JPEG format) of the certified copy of Board Resolution authorising their representative(s) to attend the 17<sup>th</sup> AGM through VC / OAVM on their behalf and to cast their vote through e-Voting. Such documents can be sent to the Company at [cs@hariompipes.com](mailto:cs@hariompipes.com) with a copy marked to [acs.vinod@gmail.com](mailto:acs.vinod@gmail.com).
  13. All the documents which are relevant and referred in the Notice and Explanatory Statement of the 17<sup>th</sup> AGM shall be available at the Registered Office of the Company for Inspection without any fee during the normal working hours on all working days, up to the date of AGM of the Company.
  14. The Board of Directors at its meeting held on May 17, 2024, has recommended a dividend of 0.60 paise per equity share of ₹10/- each as a final dividend for the FY 2023-24. The final dividend as recommended by the Board, if approved at the ensuing AGM, will be paid within 30 day from the date of declaration to those members whose names appear on the list of beneficial ownership as furnished by the Depositories on the Record Date i.e., September 16, 2024. Members are requested to update their bank account details with their respective Depository Participants for receipt of dividend payment by the Company.
  15. Pursuant to the relevant provisions of the Income Tax Act, 1961 as amended by the Finance Act, 2020, dividend income is taxable in the hands of Members w.e.f. April 01, 2020 and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at the rates prescribed under IT Act on the said Record Date. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. In general, to enable compliance with TDS requirements, members are requested to complete and/ or update their Residential Status, PAN details linked with Aadhaar, Category as per the IT Act with their Depository Participant(s) (in case of shares held in demat mode).
    - a. A Resident Individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by email to [bsshhd@bigshareonline.com](mailto:bsshhd@bigshareonline.com) latest by September 10, 2024, 5:00 p.m. IST. Where any entity/person is entitled for exemption from TDS, TDS will not be deducted/deducted at lower rates provided such shareholder/entity provides valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities) by email to [bsshhd@bigshareonline.com](mailto:bsshhd@bigshareonline.com) latest by September 10, 2024, 5:00 p.m. IST. Any documents / communication on the tax determination / deduction received after September 10, 2024 shall not be considered. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Shareholder may still have the option of claiming refund at the time of filing the income tax return (provided a valid PAN is registered with the RTA or DP). No claim shall lie against the Company for such taxes deducted. In the event of any income tax demand (including interest, penalty, etc.) on the Company arising due to any declaration, misrepresentation, inaccurate or omission of any information provided by the shareholder, such shareholder would be responsible to indemnify the Company and provide the Company with all information / documents and co-operation in any appellate proceedings
    - b. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment

and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com). The aforesaid declarations and documents need to be submitted by the shareholders latest by September 10, 2024, 5:00 p.m. IST.

16. The relevant details of director seeking re-appointment under Item No. 2, as required under Regulations 36(3) of SEBI Listing Regulations read with applicable provisions of the Companies Act, 2013 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, are given separately as an **Annexure** to this Notice and also in the Corporate Governance Report forming part of the Annual Report.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Agreements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the Annual General Meeting
18. Any person, who acquires shares of the Company and become Member of the Company after the dispatch of the Notice of 17<sup>th</sup> AGM by email and holds shares as on Monday, September 16, 2024 ("cut-off date") may obtain the User login ID and password by sending a request to the Company's RTA at [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com) by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with CDSL for remote e-Voting then you can use your existing User ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
19. The Members whose names appear in the Register of Members / List of Beneficial Owners maintained by the depositories as on Monday, September 16, 2024 (cut-off date) only shall be entitled to avail the facility of remote e-Voting or e-Voting during the AGM
20. Mr. Vinod Sakaram, (Membership No. 23285), Partner of M/s. VSSK & Associates, Company Secretaries, C.P. No. 8345, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the entire e-Voting process (remote e-Voting and e-Voting at the AGM) in a fair and transparent manner.
21. The Scrutinizer shall immediately after the conclusion of e-Voting at the 17<sup>th</sup> AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and

will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, to the Chairman. The voting results declared along with Scrutinizer's Report will be announced within two working days of the conclusion of AGM. The said results shall be placed on the Company's website at [www.hariompipes.com](http://www.hariompipes.com) and simultaneously intimated to the CDSL and National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). The Scrutinizer's decision on the validity of votes cast will be final.

22. General instructions for accessing and participating in the 17<sup>th</sup> AGM through VC / OAVM facility and voting through electronic means including remote e-Voting:

**THE INTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The remote e-Voting period begins on Friday, September 20, 2024 at 9:00 AM (IST) and ends on Sunday, September 22, 2024 at 5:00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Monday, September 16, 2024 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.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

**Step 1: Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

(iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual Shareholders holding securities in demat mode CDSL/NSDL is given below:

| Type of Shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi Tab.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option or click on <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/Evoting Login">https://evoting.cdslindia.com/Evoting/Evoting Login</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol> |



| Type of Shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL  | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.  |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 – 4886 7000 and 022 – 2499 7000                   |

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in Physical mode and non-individual shareholders in demat mode.**

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.

- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

|                               |   |
|-------------------------------|---|
| PAN                           | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details         | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>   |
| <b>OR</b> Date of Birth (DOB) | <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>  |

- (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 relevant <Company Name> 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) There is also an optional provision to upload BR/POA of any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@hariompipes.com](mailto:cs@hariompipes.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.
- (vii) 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 at least 7 days prior to meeting mentioning their name, demat account number/folio number,

email id, mobile number at [cs@hariompipes.com](mailto:cs@hariompipes.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@hariompipes.com](mailto:cs@hariompipes.com). These queries will be replied to by the company suitably by email.

- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted 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.
- (x) 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 the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- (i) For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP).
- (iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33 and 022-23058542/43.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 4:

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. Seshadri & Associates, Cost Accountants (Regn. No 101476), Hyderabad as Cost Auditors of the Company to conduct the audit of the cost records of the Company at a remuneration of ₹50,000/- (Fifty Thousand only) for the financial year ending March 31, 2025.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2025.

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

**THE FOLLOWING ADDITIONAL DETAILED INFORMATION AS PER SECTION – II OF SCHEDULE V IS AS FOLLOWS:**

| <b>I. General Information:</b>  |   |
|---|---|
| a) Nature of industry   | Manufacturing and Trading   |
| b) Date or expected date of commencement of commercial production.  | Since incorporation   |
| c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable  |
| d) Financial performance based on given indicators.   | Performance for FY 2023-24<br>1. Gross Revenue: ₹1158.38 Crores;<br>2. Profit after tax: ₹56.79 Crores;<br>3. EPS: ₹20.34/- |
| e) Foreign investments or collaborators, if any   | No Foreign Investments or Collaborations.   |

BY ORDER OF THE BOARD  
For Hariom Pipe Industries Limited

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

Place: Hyderabad  
Date: August 09, 2024



## DETAILS OF DIRECTORS RETIRING BY ROTATION/ SEEKING APPOINTMENT /RE-APPOINTMENT AT THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY:

(Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India)

| Name of the Director   | Mrs. Sunita Gupta   |
|--|---|
| Designation  | Non-Executive Director  |
| <b>Brief Profile</b>   |   |
| Date of Birth  | 31-12-1956  |
| Qualifications   | Undergraduate   |
| DIN  | 02981707  |
| Nationality  | Indian  |
| Date of first appointment on the Board                           | Appointed as Director on October 01, 2014.<br>Changed designation as Non-Executive Director w.e.f., October 01, 2017.   |
| Experience   | Director of the Company since 01.10.2014.   |
| Terms and conditions of appointment or reappointment             | Non-executive Director of the Company, liable to retire by rotation.  |
| Remuneration proposed to be paid                                 | She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as maybe decided by the Board, reimbursement of expenses for participating in the Board and other meetings. |
| Last drawn remuneration  | NIL<br>(Draws ₹55000/- as sitting fees)   |
| No. of share held as on the date of Notice                       | 10,75,720 (Ten Lakhs Seventy-Five Thousand Seven Hundred and Twenty) Equity Shares of ₹10/- (Rupees Ten Only) each.   |
| Relationship with Directors, Managers & KMP                      | Mother of Rupesh Kumar Gupta, Managing Director and Sailesh Gupta, Whole time Director of the Company.  |
| Number of Board Meetings attended during FY 2023-24              | 2 out of 5  |
| Name(s) of other Companies in which Directorships held           | - Ansh Commerce Private Limited   |
| Chairman/ Member of the Committees of Boards of other companies. | Nil   |









**HARIOM PIPE INDUSTRIES LIMITED**

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Telangana - 500 048, INDIA

PHONE: +91 040-24016101

WEBSITE: [www.hariompipes.com](http://www.hariompipes.com)

INFO: [info@hariompipes.com](mailto:info@hariompipes.com)

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