



**INDEPENDENT AUDITOR'S REPORT**

**TO THE PARTNERS OF**

**SIGMA HTS LLP**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statement of **SIGMA HTS LLP** ("the LLP"), which comprise of the Statement of Assets & Liability for the year ended as at 31<sup>st</sup> March, 2018 and a summary of significant accounting policies and other explanatory information.

**PARTNER 'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Partners are responsible for the matters stated in the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the 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 of the assets of the LLP 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.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation of the financial statements that give a true and fair view in order to design audit





procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the LLP has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the partners, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the LLP as at March 31, 2018; and
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 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 accounts as required by law have been kept by the LLP, so far as it appears from our examination of those books.
- c) The statement of Assets & Liability dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the statement of Assets & Liability dealt with by this Report comply with the Accounting Standards to the extent applicable.

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
**FRN No. 017879C**

*Manisha Gupta*

**(Manisha Gupta)**

**Proprietor**

**Membership No.066230**



**Place : Jamshedpur**

**Dated: The 25<sup>th</sup> day of May, 2018**



**SIGMA HTS LLP - AAF 9444**  
**Balance Sheet as at 31st March, 2018**

Particulars	Note No.	As at 31st March, 2018 Amount (₹)	As at 31st March, 2017 Amount (₹)
<b>I. CONTRIBUTION AND LIABILITIES</b>			
(1) <b>Partners's Funds</b>			
(a) Contribution	2	8,05,00,000.00	8,05,00,000.00
(b) Current Capital Account	3	13,54,33,200.00	8,40,83,200.00
(c) Reserves & Surplus	4	(3,14,36,977.67)	10,761.45
(2) <b>Non -Current Liabilities</b>			
(a) Long Term Borrowings	5	13,16,37,568.00	10,72,24,839.00
(3) <b>Current Liabilities</b>			
(a) Short Term Borrowings	6	64,75,625.00	-
(b) Other Current Liability	7	1,67,55,470.15	8,70,68,950.23
(c) Short Term Provisions		-	854.00
<b>TOTAL</b>		<b>33,93,64,885.48</b>	<b>35,88,88,604.68</b>
<b>II. APPLICATION OF FUNDS</b>			
(1) <b>Non-Current Assets</b>			
(a) Fixed Assets	8	29,76,53,128.07	23,84,32,006.66
(b) Long-Term Loans and Advances	9	38,53,314.70	28,92,303.20
(2) <b>Current Assets</b>			
(a) Inventories	10	36,83,371.33	-
(b) Trade Receivables	11	1,05,04,671.64	-
(c) Short-Term Loans and Advances	12	2,15,33,306.38	11,60,40,475.96
(d) Cash and Cash Equivalents	13	21,37,093.36	15,23,818.86
<b>TOTAL</b>		<b>33,93,64,885.48</b>	<b>35,88,88,604.68</b>

See accompanying notes to the financial statements 1

In Terms of Our Annexed Report of Even Date attached

For Manisha Gupta & Associates  
Chartered Accountants  
FRN No. 017879C

(Manisha Gupta)  
Proprietor  
Membership No.066230



For and on behalf of  
Sigma HTS LLP

Rajeev Singh Dugal  
Partner  
DIN 00052037

Jasjit Singh Dugal  
Partner  
DIN 00188810

Place : Jamshedpur  
Dated: The 25th day of May 2018

**SIGMA HTS LLP - AAF 9444**  
**Statement of Income and Expenditure as at 31st March, 2018**

			Amount (₹)
Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>INCOME</b>			
I. Revenue from Operations	14	13,14,70,592.69	45,199.12
II. Other Incomes	15	38,56,205.08	1,22,540.02
<b>III. Total Revenue (I + II)</b>		<b>13,53,26,797.77</b>	<b>1,67,739.14</b>
<b>IV. EXPENDITURE</b>			
Cost of Material Consumed	16	4,55,72,630.90	-
Employee Benefit Expenses	17	82,41,946.14	24,558.00
Finance Cost	18	1,39,01,281.50	-
Depreciation	8	4,37,18,913.81	
Other Expenses	19	5,53,39,764.54	1,31,565.69
<b>Total Expenses</b>		<b>16,67,74,536.89</b>	<b>1,56,123.69</b>
<b>V. Profit before Tax (III - IV)</b>		<b>(3,14,47,739.12)</b>	<b>11,615.45</b>
VI. Provision for taxation		-	854.00
<b>VII. Profit/ (Loss) for the Period (V - VI)</b>		<b>(3,14,47,739.12)</b>	<b>10,761.45</b>

The Schedules referred to above and notes to accounts form an integral part of the Income and Expenditure 1 account.

For Manisha Gupta & Associates  
Chartered Accountants  
FRN No. 017879C

(Manisha Gupta)  
Proprietor  
Membership No.066230



For and on behalf of  
Sigma HTS LLP

*RSD*  
Rajeev Singh Dugal  
Partner  
DIN 00052037

*VSD*  
Jasjit Singh Dugal  
Partner  
DIN 00188810

Place : Jamshedpur  
Dated: The 25th day of May 2018



**SIGMA HTS LLP - AAF 9444**  
**Notes forming the part of the Financial Statement**

**Note 1**

**1.1 LLP Overview**

Sigma HTS LLP is a Limited Liability Partnership, Registered under the Liability Partnership Act, 2008. The LLP was incorporated on 15th March, 2016. The LLP is primarily engaged in carrying out Heat Treatment activities.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the LLP Act 2008, to the extent applicable. The financial statements are presented in Indian rupees.

**1.3 Fixed assets**

Fixed assets are carried at cost of acquisition or construction. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use.

**1.4 Depreciation/ Amortisation**

Depreciation/Amortisation on fixed assets other than Land has been provided on Written Down Value Method at the rates specified in the Income Tax Act, 1961.

**1.5 Inventory**

Stock of Raw Materials and Consumable Items are carried at Cost (computed on a FIFO basis) or Net Realisable Value, Whichever is Lower

**1.6 Revenue recognition**

Income and expenditure are accounted for on accrual basis, wherever ascertainable.

**1.7 Taxation**

Current Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

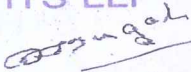
**1.8 Contingent Liabilities:**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**SIGMA HTS LLP**

  
Partner

**SIGMA HTS LLP**


  
Partner



**SIGMA HTS LLP - AAF 9444**  
Notes forming the part of the Financial Statement

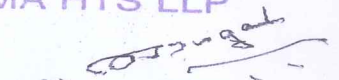
Particulars	Amount (₹)	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 2</b>		
<b>Partner's Fund</b>		
<b>Partner's Contribution</b>		
Precision Automotive Pvt. Ltd.	7,80,00,000.00	7,80,00,000.00
Tara Khowala	25,00,000.00	25,00,000.00
<b>Total</b>	<b>8,05,00,000.00</b>	<b>8,05,00,000.00</b>
<b>NOTE # 3</b>		
<b>Partner's Current Capital Account</b>		
<b><u>Precision Automotive Pvt. Ltd.</u></b>		
Opening Balance	8,40,83,200.00	-
Add:- Addition during the year	5,13,50,000.00	8,40,83,200.00
	<b>13,54,33,200.00</b>	<b>8,40,83,200.00</b>
<b>NOTE # 4</b>		
<b>Reserves &amp; Surplus</b>		
Opening Balance	10,761.45	-
Add:- Profit during the year	(3,14,47,739.12)	10,761.45
Closing Balance	<b>(3,14,36,977.67)</b>	<b>10,761.45</b>
<b>NOTE # 5</b>		
<b>Long Term Borrowings</b>		
<b>Secured Loans</b>		
Axis Bank Term Loan	13,10,05,299.00	10,72,24,839.00
Axis Bank Vehicle Loan	6,32,269.00	-
	<b>13,16,37,568.00</b>	<b>10,72,24,839.00</b>
<b>NOTE # 6</b>		
<b>Short Term Borrowings</b>		
Timken India Limited	64,75,625.00	-
	<b>64,75,625.00</b>	-
<b>NOTE # 7</b>		
<b>Other Liability</b>		
Sundry Creditors	1,59,96,909.90	1,17,12,267.23
Duties & Taxes		
TDS & TCS Payable	73,403.00	25,933.00
Professional Tax Payable	4,330.00	2,500.00
EPF Payable	41,161.00	36,484.00
ESIC Payable	8,934.00	10,672.00
GST Payable	730.25	-
Expenses Payable	6,07,502.00	4,58,594.00
Audit Fees Payable	22,500.00	22,500.00
Other Payables	-	7,48,00,000.00
	<b>1,67,55,470.15</b>	<b>8,70,68,950.23</b>

SIGMA HTS LLP

  
Partner



SIGMA HTS LLP

  
Partner



## NOTE # 8

## Fixed Assets

Particulars	Rate	W.D.V. as on 01.04.2017	Addition Upto 30.09.2017	Addition After 30.09.2017	Deletion	Total	Depreciation / Amortisation For the year	W.D.V. as on 31.03.2018
<b>Tangible Assets</b>								
Building & Shed	10%	-	6,13,48,774.19	-	-	6,13,48,774.19	61,34,877.42	5,52,13,896.77
Computer Hardware & Software	40%	15,11,798.50	24,282.00	2,50,000.00	-	17,86,080.50	6,64,432.20	11,21,648.30
Electrical Installation	15%	-	2,49,70,869.07	2,95,663.50	-	2,52,66,532.57	37,67,805.12	2,14,98,727.45
Furniture & Fixtures	10%	70,642.00	1,13,529.00	82,523.10	-	2,66,694.10	22,543.26	2,44,150.85
Land at Tirulidih	-	1,93,86,075.00	-	-	-	1,93,86,075.00	-	1,93,86,075.00
Motor Vehicles	15%	-	9,97,939.00	-	-	9,97,939.00	1,49,690.85	8,48,248.15
Office Equipments	15%	1,50,420.00	1,99,557.32	2,53,320.20	-	6,03,297.52	71,495.61	5,31,801.91
Plant & Machinery	15%	-	19,63,02,466.92	1,81,76,904.49	-	21,44,79,371.41	3,08,08,637.87	18,36,70,733.54
<b>Capital Work in Progress</b>								
Capital WIP - Building & Shed	0%	6,13,48,774.19	67,40,120.20	-	6,13,48,774.19	67,40,120.20	-	67,40,120.20
Capital WIP - Electrical Installation	0%	2,25,74,337.17	-	-	2,25,74,337.17	-	-	-
Capital WIP - Plant & Machinery	0%	12,28,92,802.41	-	-	12,28,92,802.41	-	-	-
<b>Intangible Assets</b>								
Pre-Operative Expenses		99,14,937.39	-	-	-	99,14,937.39	19,82,987.48	79,31,949.91
Pre-Incorporation Expenses		5,82,220.00	-	-	-	5,82,220.00	1,16,444.00	4,65,776.00
<b>Total</b>		<b>23,84,32,006.66</b>	<b>29,06,97,537.70</b>	<b>1,90,58,411.29</b>	<b>20,68,15,913.77</b>	<b>34,13,72,041.88</b>	<b>4,37,18,913.81</b>	<b>29,76,53,128.07</b>
<b>Previous Year</b>		<b>15,400.00</b>	<b>4,32,17,131.45</b>	<b>19,51,99,475.21</b>	<b>-</b>	<b>23,84,32,006.66</b>	<b>-</b>	<b>23,84,32,006.66</b>

SIGMA HTS LLP

SIGMA HTS LLP



KSD Partner

KSD Partner

**SIGMA HTS LLP - AAF 9444**  
Notes forming the part of the Financial Statement

Particulars	Amount (₹)	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 9</b>		
<b>Long-Term Loans and Advances</b>		
Security Deposits	38,53,314.70	28,92,303.20
	<b>38,53,314.70</b>	<b>28,92,303.20</b>
<b>NOTE # 10</b>		
<b>Inventories</b>		
(a) Raw Materials	2,83,715.97	-
(b) Stores & Consumable	33,99,655.36	-
	<b>36,83,371.33</b>	-
<b>NOTE # 11</b>		
<b>Trade Receivables</b>		
(a) Sundry Debtors	1,05,04,671.64	-
	<b>1,05,04,671.64</b>	-
<b>NOTE # 12</b>		
<b>Short-Term Loans and Advances</b>		
Advance Against Purchase of Capital Goods	-	2,43,16,080.38
Other Advances	3,37,365.00	2,53,460.00
Balance with Revenue Authorities	2,11,95,941.38	1,64,70,935.58
Other Receivables	-	7,50,00,000.00
	<b>2,15,33,306.38</b>	<b>11,60,40,475.96</b>
<b>NOTE # 13</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Banks	21,30,129.70	14,81,707.86
Cash in Hand	6,963.66	42,111.00
	<b>21,37,093.36</b>	<b>15,23,818.86</b>

**SIGMA HTS LLP**

*(Signature)*  
Partner  
RSD

**SIGMA HTS LLP**

*(Signature)*  
Partner  
VSD





**SIGMA HTS LLP - AAF 9444**  
Notes forming the part of the Financial Statement

Particulars	As at 31st March, 2018	Amount (₹) As at 31st March, 2017
<b>NOTE # 14</b>		
<b>Revenue from Operations</b>		
Job Work	8,42,20,994.11	45,199.12
Sales	4,72,49,598.58	-
	<u>13,14,70,592.69</u>	<u>45,199.12</u>
<b>NOTE # 15</b>		
<b>Other Income</b>		
Agriculture Income	1,41,499.15	8,852.50
Brokerage / Commission Income	33,95,771.71	9,713.04
Discount Received	7,526.30	29,192.48
Interest on Fixed Deposits	2,44,247.00	74,782.00
Other Income	67,160.92	-
	<u>38,56,205.08</u>	<u>1,22,540.02</u>
<b>NOTE # 16</b>		
<b>[A] Cost of Raw Material Consumed</b>		
(a) Opening Stock of Material	-	-
(b) Add: Material Purchased	3,15,35,685.00	-
(c) Less: Closing Stock of Material	2,83,715.97	-
Cost of Raw Material Consumed (a+b-c)	<u>3,12,51,969.03</u>	-
<b>[B] Cost of Stores &amp; Consumable</b>		
(a) Opening Stock of Stores & Consumable	-	-
(b) Add: Stores & Consumable Purchased	1,77,20,317.23	-
(c) Less: Closing Stock of Stores & Consumable	33,99,655.36	-
Cost of Stores Consumed (a+b-c)	<u>1,43,20,661.87</u>	-
<b>Grand Total of Material Consumed [A + B]</b>	<u>4,55,72,630.90</u>	-
<b>NOTE # 17</b>		
<b>Employee Benefit Expenses</b>		
Salary	71,21,324.00	24,558.00
Stipend	4,63,049.94	-
Staff Welfare	2,17,793.20	-
Contribution to EPF	2,51,508.00	-
Contribution to ESIC	90,744.00	-
Other Benefits	97,527.00	-
	<u>82,41,946.14</u>	<u>24,558.00</u>
<b>NOTE # 18</b>		
<b>Finance Cost</b>		
Interest Expenses	1,37,73,991.30	-
Other	1,27,290.20	-
	<u>1,39,01,281.50</u>	-

SIGMA HTS LLP

*[Signature]*  
RSD Partner

SIGMA HTS LLP

*[Signature]*  
VSD Partner



**SIGMA HTS LLP - AAF 9444**  
Notes forming the part of the Financial Statement


Particulars	Amount (₹)	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 19</b>		
<b>Other Expenses</b>		
<b>(i) Direct Expenses</b>		
Power & Fuels	3,11,83,665.00	57,101.00
Labour Charges	81,86,280.28	5,500.00
Freight Charges	27,16,238.53	-
Lab Expenses	8,53,954.20	-
Loading & Unloading Expenses	5,30,203.55	-
<b>Total (i)</b>	<b>4,34,70,341.56</b>	<b>62,601.00</b>
<b>(ii) Other Selling &amp; Administrative Expenses</b>		
Administrative Expenses	3,29,200.00	-
Advertisement Expenses	3,000.00	-
Agricultural Expenses	2,34,387.70	-
Audit Fees	25,000.00	25,000.00
Bank Charges	2,98,440.01	-
Calibration Charges	1,32,861.40	-
Canteen Expenses	4,17,220.96	-
Fees & Subscription	1,81,437.38	41,500.00
Fooding & Lodging Expenses	3,16,242.86	-
General Expenses	81,686.82	-
Insurance Charges	5,83,401.73	-
Office Expenses	1,56,728.70	-
Packing Expenses	6,306.00	-
Postage & Courier Expenses	34,776.04	-
Printing & Stationery	2,09,292.08	-
Professional Fees	3,64,700.00	-
Rates & Taxes	7,37,440.80	2,500.00
Rent	10,08,073.00	-
Repairs & Maintenance - Building	1,22,072.96	-
Repairs & Maintenance - Others	9,42,766.87	-
Repairs & Maintenance - Plant & Machinery	20,01,360.04	-
Round Off	5,574.40	(35.31)
Security Charges	12,36,082.81	-
Telephone Charges	1,68,913.49	-
Travelling & Conveyance	10,16,791.32	-
Vehicle Hire Charges	12,55,665.61	-
<b>Total (ii)</b>	<b>1,18,69,422.98</b>	<b>68,964.69</b>
<b>Grand Total</b>	<b>5,53,39,764.54</b>	<b>1,31,565.69</b>

In Terms of Our Annexed Report of Even Date attached

For Manisha Gupta & Associates  
Chartered Accountants  
FRN No. 017879C

  
  
(Manisha Gupta)  
Proprietor  
Membership No.066230

For and on behalf of  
Sigma HTS LLP

  
Rajeev Singh Dugal  
Partner  
DIN 00052037

  
Jasjit Singh Dugal  
Partner  
DIN 00188810

Place : Jamshedpur  
Dated: The 25th day of May 2018



**Computation of Total Income for the Asst Year 2018-19**

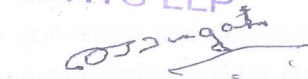
	Amount (₹)
<b>Profits &amp; Gains Of Business or Profession</b>	
Profit as per Profit & Loss Account	(3,14,47,739.12)
Less: Agricultural Income	1,41,499.15
<b>Gross Total Income</b>	<b>(3,15,89,238.27)</b>
Tax Thereon	-
Edu. Cess and SHEC @ 3%	-
<b>Total Tax Payable</b>	<b>-</b>

SIGMA HTS LLP

  
 Partner

RJD

SIGMA HTS LLP

  
 Partner

JJD