



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 31st March, 2019 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.

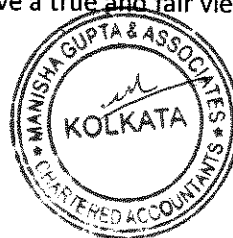
AUDITOR'S RESPONSIBILITY

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, 2019; 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 statements of Assets & Liability dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the statements of Assets & Liability dealt with by this Report comply with the Accounting Standards to the extent applicable.

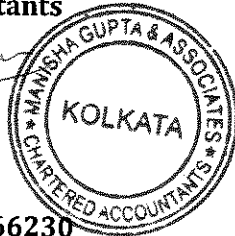
For Manisha Gupta & Associates
Chartered Accountants
FRN No. 017879C

Manisha Gupta

(Manisha Gupta)

Proprietor

Membership No.066230



Place : Jamshedpur

Dated: The 20th day of May, 2019



SIGMA HTS LLP - AAF 9444
Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31st March, 2019 Amount (₹)	As at 31st March, 2018 Amount (₹)
I. CONTRIBUTION AND LIABILITIES			
(1) Partners's Funds			
(a) Contribution	2	8,15,00,000.00	8,05,00,000.00
(b) Current Capital Account	3	13,91,33,200.00	13,54,33,200.00
(c) Reserves & Surplus	4	(4,61,62,244.88)	(3,14,36,977.67)
(2) Non -Current Liabilities			
(a) Long Term Borrowings	5	10,63,75,313.00	13,16,37,568.00
(3) Current Liabilities			
(a) Short Term Borrowings	6	85,64,795.06	64,75,625.00
(b) Other Current Liability	7	4,06,29,683.32	1,67,55,470.15
(c) Short Term Provisions		-	-
TOTAL		33,00,40,746.50	33,93,64,885.48
II. APPLICATION OF FUNDS			
(1) Non-Current Assets			
(a) Fixed Assets	8	26,85,26,514.87	29,76,53,128.07
(b) Long-Term Loans and Advances	9	17,33,765.00	38,53,314.70
(2) Current Assets			
(a) Inventories	10	1,04,17,180.82	36,83,371.33
(b) Trade Receivables	11	1,67,27,503.95	1,05,04,671.64
(c) Short-Term Loans and Advances	12	3,09,69,813.58	2,15,33,306.38
(d) Cash and Cash Equivalents	13	16,65,968.28	21,37,093.36
TOTAL		33,00,40,746.50	33,93,64,885.48


See accompanying notes to the financial statements 1

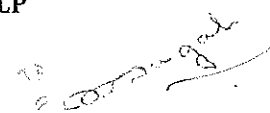
In Terms of Our Annexed Report of Even Date attached

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

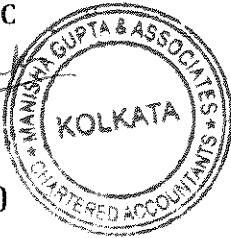
Place : Jamshedpur
Dated: The 20th day of May 2019

SIGMA HTS LLP - AAF 9444
Statement of Income and Expenditure as at 31st March, 2019

Particulars	Note No.	Year Ended 31st March, 2019	Year Ended 31st March, 2018
INCOME			
I. Revenue from Operations	14	28,52,26,252.11	13,14,70,592.69
II. Other Incomes	15	46,97,949.14	38,56,205.08
III. Total Revenue (I + II)		28,99,24,201.25	13,53,26,797.77
IV. EXPENDITURE			
Cost of Material Consumed	16	16,00,45,903.25	4,55,72,630.90
Employee Benefit Expenses	17	87,66,658.05	82,41,946.14
Finance Cost	18	1,30,92,010.39	1,39,01,281.50
Depreciation	8	4,15,08,543.16	4,37,18,913.81
Other Expenses	19	8,12,36,353.61	5,53,39,764.54
Total Expenses		30,46,49,468.46	16,67,74,536.89
V. Profit before Tax (III - IV)		(1,47,25,267.21)	(3,14,47,739.12)
VI. Provision for taxation		-	-
VII. Profit/ (Loss) for the Period (V - VI)		(1,47,25,267.21)	(3,14,47,739.12)

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

(Manisha Gupta)
Proprietor
Membership No.066230

For and on behalf of
Sigma HTS LLP

Rajeev Singh Dugal
Rajeev Singh Dugal
Partner
DIN 00052037

Jasjit Singh Dugal
Jasjit Singh Dugal
Partner
DIN 00188810

Place : Jamshedpur

Dated: The 20th day of May 2019

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.

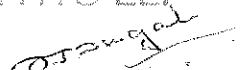
1.8 Contingent Liabilities:

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, 2019	As at 31st March, 2018
NOTE # 2		
Partner's Fund		
Partner's Contribution		
Precision Automotive Pvt. Ltd.	7,80,00,000.00	7,80,00,000.00
Jasjit Singh Dugal	10,00,000.00	-
Tara Khowala	25,00,000.00	25,00,000.00
Total	8,15,00,000.00	8,05,00,000.00
NOTE # 3		
Partner's Current Capital Account		
<u>Precision Automotive Pvt. Ltd.</u>		
Opening Balance	13,54,33,200.00	8,40,83,200.00
Add:- Addition during the year	37,00,000.00	5,13,50,000.00
	13,91,33,200.00	13,54,33,200.00
NOTE # 4		
Reserves & Surplus		
Opening Balance	(3,14,36,977.67)	10,761.45
Add:- Profit/(Loss) during the year	(1,47,25,267.21)	(3,14,47,739.12)
Closing Balance	(4,61,62,244.88)	(3,14,36,977.67)
NOTE # 5		
Long Term Borrowings		
Secured Loans		
Axis Bank Term Loan	10,60,00,000.00	13,10,05,299.00
Axis Bank Vehicle Loan	3,75,313.00	6,32,269.00
	10,63,75,313.00	13,16,37,568.00
NOTE # 6		
Short Term Borrowings		
Secured Loans		
Cash Credit with Axis Bank	85,64,795.06	-
Unsecured Loans		
Timken India Limited	-	64,75,625.00
	85,64,795.06	64,75,625.00
NOTE # 7		
Other Liability		
Current Maturity of Long Term Borrowing	1,71,77,248.00	-
Sundry Creditors		
(i) Total Outstanding dues of MSME	24,64,214.39	-
(ii) Total Outstanding dues of Creditors other than MSME	2,01,25,739.93	1,59,96,909.90
Duties & Taxes		
TDS & TCS Payable	96,737.00	73,403.00
Professional Tax Payable	2,724.00	4,330.00
EPF Payable	43,551.00	41,161.00
ESIC Payable	13,356.00	8,934.00
GST Payable	38,546.00	730.25
Expenses Payable	6,45,067.00	6,07,502.00
Audit Fees Payable	22,500.00	22,500.00
	4,06,29,683.32	1,67,55,470.15

SIGMA HTS LLP

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Partner

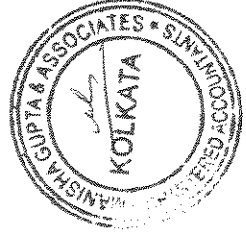
SIGMA HTS LLP

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Partner



SIGMA HTS LLP - AAF 9444
Balance Sheet as at 31st March 2019

Particulars	Rate	W.D.V. as on 01.04.2018	Addition Upto 30.09.2018	Addition After 30.09.2018	Deletion	Total	Depreciation / Amortisation For the year	Additional Depreciation For the year	W.D.V. as on 31.03.2019
Tangible Assets									
Building & Shed	10%	5,52,13,896.77	67,40,120.20	-	-	6,19,54,016.97	61,95,401.70	-	5,57,58,615.27
Computer Hardware & Software	40%	11,21,648.30	15,424.42	-	-	11,37,072.72	4,54,829.09	-	6,82,243.63
Electrical Installation	15%	2,14,98,727.45	1,20,000.00	-	-	2,16,18,727.45	32,42,809.12	-	1,83,75,918.33
Furniture & Fixtures	10%	2,44,150.85	5,251.00	-	-	2,49,401.85	24,940.18	-	2,24,461.66
Land at Tiruiddin	-	1,93,86,075.00	-	-	-	1,93,86,075.00	-	-	1,93,86,075.00
Motor Vehicles	15%	8,48,248.15	-	-	-	8,48,248.15	1,27,237.22	-	7,21,010.93
Office Equipments	15%	5,31,801.91	6,300.00	79,800.00	-	6,17,901.91	86,700.29	-	5,31,201.62
Plant & Machinery	15%	18,36,70,733.54	34,29,957.75	23,38,217.07	-	18,94,38,908.36	2,82,40,469.97	10,36,724.11	16,01,61,714.27
Capital Work in Progress									
Capital WIP - Building & Shed	0%	67,40,120.20	47,24,104.64	16,62,875.08	67,40,120.20	63,86,979.72	-	-	63,86,979.72
Intangible Assets									
Pre-Operative Expenses		79,31,949.91	-	-	-	79,31,949.91	19,82,987.48	-	59,48,962.43
Pre-Incorporation Expenses		4,65,776.00	-	-	-	4,65,776.00	1,16,444.00	-	3,49,332.00
Total		29,76,53,128.07	1,50,41,158.01	40,80,892.15	67,40,120.20	31,00,35,058.03	4,04,71,819.05	10,36,724.11	26,85,26,514.87
Previous Year		23,84,32,006.66	29,06,97,537.70	1,90,58,411.29	20,68,15,913.77	34,13,72,041.88	4,37,18,913.81	-	29,76,53,128.07



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, 2019	As at 31st March, 2018
NOTE # 9		
Long-Term Loans and Advances		
Security Deposits	17,33,765.00	38,53,314.70
	<u>17,33,765.00</u>	<u>38,53,314.70</u>
NOTE # 10		
Inventories		
(a) Raw Materials	28,96,938.19	2,83,715.97
(b) Stores & Consumable	75,20,242.63	33,99,655.36
	<u>1,04,17,180.82</u>	<u>36,83,371.33</u>
NOTE # 11		
Trade Receivables		
(a) Sundry Debtors	1,67,27,503.95	1,05,04,671.64
	<u>1,67,27,503.95</u>	<u>1,05,04,671.64</u>
NOTE # 12		
Short-Term Loans and Advances		
Advance Against Purchase of Capital Goods	1,00,35,228.01	-
Other Advances	2,61,254.00	3,37,365.00
Balance with Revenue Authorities	88,32,497.87	2,11,95,941.38
Fixed Deposit with Banks	1,18,09,063.80	-
Other Receivables	31,769.90	-
	<u>3,09,69,813.58</u>	<u>2,15,33,306.38</u>
NOTE # 13		
Cash and Cash Equivalents		
Balance with Banks	16,48,175.62	21,30,129.70
Cash in Hand	17,792.66	6,963.66
	<u>16,65,968.28</u>	<u>21,37,093.36</u>

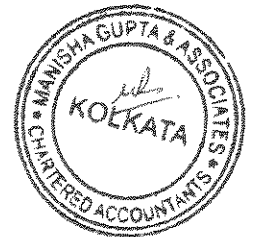
SIGMA HTS LLP

[Signature]
Partner

SIGMA HTS LLP

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Partner




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

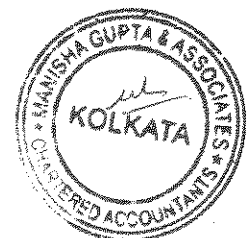
Particulars	Amount (₹)	
	As at 31st March, 2019	As at 31st March, 2018
NOTE # 14		
Revenue from Operations		
Revenue from Job Work	9,52,69,652.28	8,42,20,994.11
Sales of Goods	18,99,56,599.83	4,72,49,598.58
	<u>28,52,26,252.11</u>	<u>13,14,70,592.69</u>
NOTE # 15		
Other Income		
Agriculture Income	1,29,003.40	1,41,499.15
Brokerage / Commission Income	39,26,485.12	33,95,771.71
Discount Received	46,778.00	7,526.30
Interest Income	4,85,112.00	2,44,247.00
Other Income	1,10,570.62	67,160.92
	<u>46,97,949.14</u>	<u>38,56,205.08</u>
NOTE # 16		
[A] Cost of Raw Material Consumed		
(a) Opening Stock of Material	2,83,715.97	-
(b) Add: Material Purchased	13,86,95,683.38	3,15,35,685.00
(c) Less: Closing Stock of Material	28,96,938.19	2,83,715.97
Cost of Raw Material Consumed (a+b-c)	<u>13,60,82,461.16</u>	<u>3,12,51,969.03</u>
[B] Cost of Stores & Consumable		
(a) Opening Stock of Stores & Consumable	33,99,655.36	-
(b) Add: Stores & Consumable Purchased	2,80,84,029.36	1,77,20,317.23
(c) Less: Closing Stock of Stores & Consumable	75,20,242.63	33,99,655.36
Cost of Stores Consumed (a+b-c)	<u>2,39,63,442.09</u>	<u>1,43,20,661.87</u>
Grand Total of Material Consumed [A + B]	<u>16,00,45,903.25</u>	<u>4,55,72,630.90</u>
NOTE # 17		
Employee Benefit Expenses		
Salary	73,72,274.00	71,21,324.00
Stipend	6,27,807.00	4,63,049.94
Staff Welfare	3,29,543.05	2,17,793.20
Contribution to EPF	2,70,590.00	2,51,508.00
Contribution to ESIC	1,05,234.00	90,744.00
Other Benefits	61,210.00	97,527.00
	<u>87,66,658.05</u>	<u>82,41,946.14</u>
NOTE # 18		
Finance Cost		
Interest on Term Loan	1,20,48,160.00	1,29,21,902.00
Interest on Vehicle Loan	50,471.00	33,391.00
Interest on Unsecured Loan	1,63,470.90	2,43,750.00
Interest on Cash Credit	2,28,678.33	2,26,073.00
LC Charges	6,01,067.16	3,48,875.30
Other	163.00	1,27,290.20
	<u>1,30,92,010.39</u>	<u>1,39,01,281.50</u>

SIGMA HTS LLP


Partner

SIGMA HTS LLP


Partner



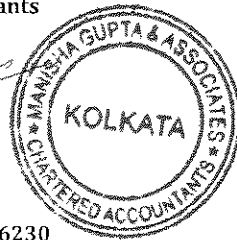
SIGMA HTS LLP - AAF 9444
Notes forming the part of the Financial Statement

Particulars	Amount (₹)	
	As at 31st March, 2019	As at 31st March, 2018
NOTE # 19		
Other Expenses		
(i) Direct Expenses		
Power & Fuels	4,00,67,306.00	3,11,83,665.00
Labour Charges	1,28,86,492.29	81,86,280.28
Job Work Charges	89,39,539.88	-
Freight Charges	38,31,016.57	27,16,238.53
Lab Expenses	4,73,764.00	8,53,954.20
Loading & Unloading Expenses	8,750.00	5,30,203.55
Total (i)	6,62,06,868.74	4,34,70,341.56
(ii) Other Selling & Administrative Expenses		
Administrative Expenses	3,00,000.00	3,29,200.00
Advertisement Expenses	11,440.00	3,000.00
Agricultural Expenses	49,285.78	2,34,387.70
Audit Fees	25,000.00	25,000.00
Bank Charges	21,554.79	2,98,440.01
Calibration Charges	1,29,785.00	1,32,861.40
Canteen Expenses	3,29,259.90	4,17,220.96
Fees & Subscription	1,54,140.00	1,81,437.38
Fooding & Lodging Expenses	1,47,829.00	3,16,242.86
General Expenses	76,072.48	81,686.82
Insurance Charges	7,35,945.83	5,83,401.73
Misc & Debit Charges	55,012.95	-
Office Expenses	36,324.00	1,56,728.70
Packing Expenses	790.50	6,306.00
Postage & Courier Expenses	27,275.00	34,776.04
Printing & Stationery	2,27,144.50	2,09,292.08
Professional Fees	6,41,134.00	3,64,700.00
Quality Service Charges	23,61,899.14	-
Rates & Taxes	3,55,057.77	7,37,440.80
Rent	10,09,000.00	10,08,073.00
Repairs & Maintenance - Building	3,65,661.31	1,22,072.96
Repairs & Maintenance - Others	3,46,617.02	9,42,766.87
Repairs & Maintenance - Plant & Machinery	40,06,880.63	20,01,360.04
Round Off	1.67	5,574.40
Security Charges	14,36,860.30	12,36,082.81
Telephone Charges	2,05,836.89	1,68,913.49
Travelling & Conveyance	12,53,679.56	10,16,791.32
Vehicle Hire Charges	7,19,996.85	12,55,665.61
Total (ii)	1,50,29,484.87	1,18,69,422.98
Grand Total	8,12,36,353.61	5,53,39,764.54

In Terms of Our Annexed Report of Even Date attached

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

Manisha Gupta
(Manisha Gupta)
Proprietor
Membership No.066230



Rajeev Singh Dugal
Rajeev Singh Dugal
Partner
DIN 00052037

For and on behalf of
Sigma HTS LLP

Jasjit Singh Dugal
Jasjit Singh Dugal
Partner
DIN 00188810

Place : Jamshedpur
Dated: The 20th day of May 2019