



PRIYA AGARWAL

Chartered Accountant

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, 2020 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





PRIYA AGARWAL

Chartered Accountant

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, 2020; 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 PRIYA AGARWAL
Chartered Accountant

Priya Agarwal
Membership No. 442380
UDIN: 20442380AAAAAS1328

Place: Jamshedpur

Date: 25-07-2020

SIGMA HTS LLP - AAF 9444
Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020 Amount (₹)	As at 31st March, 2019 Amount (₹)
I. CONTRIBUTION AND LIABILITIES			
(1) Partners's Funds			
(a) Contribution	2	82,700,000.00	81,500,000.00
(b) Current Capital Account	3	162,633,200.00	139,133,200.00
(c) Reserves & Surplus	4	(27,592,787.40)	(46,162,244.88)
(2) Non -Current Liabilities			
(a) Long Term Borrowings	5	90,229,025.00	106,375,313.00
(3) Current Liabilities			
(a) Short Term Borrowings	6	10,957,928.38	8,564,795.06
(b) Other Current Liability	7	64,731,030.15	40,629,683.32
TOTAL		383,658,396.13	330,040,746.50
II. APPLICATION OF FUNDS			
(1) Non-Current Assets			
(a) Fixed Assets	8	279,173,085.99	268,526,514.87
(b) Long-Term Loans and Advances	9	91,000.00	1,733,765.00
(2) Current Assets			
(a) Inventories	10	28,717,855.52	10,417,180.82
(b) Trade Receivables	11	25,384,900.00	16,727,503.95
(c) Short-Term Loans and Advances	12	50,013,395.50	30,969,813.58
(d) Cash and Cash Equivalents	13	278,159.12	1,665,968.28
TOTAL		383,658,396.13	330,040,746.50

See accompanying notes to the financial statements

1

In Terms of Our Annexed Report of Even Date attached



Priya Agarwal
Chartered Accountant
Membership No. 442380

Rajeev Singh Dugal
Partner
DIN 00052037

For and on behalf of
Sigma HTS LLP

Tara Khowala
Partner
DIN 02312414

Place : Jamshedpur
Dated: The 25th day of July 2020

SIGMA HTS LLP - AAF 9444
Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
INCOME			
I. Revenue from Operations	14	406,398,348.49	285,226,252.11
II. Other Incomes	15	4,200,964.34	4,697,949.14
III. Total Revenue (I + II)		410,599,312.83	289,924,201.25
IV. EXPENDITURE			
Cost of Material Consumed	16	270,786,337.98	160,045,903.25
Employee Benefit Expenses	17	9,655,562.49	8,766,658.05
Finance Cost	18	12,010,867.77	13,092,010.39
Depreciation	8	33,441,088.63	41,508,543.16
Other Expenses	19	66,135,998.48	81,236,353.61
Total Expenses		392,029,855.35	304,649,468.46
V. Profit before Tax (III - IV)		18,569,457.48	(14,725,267.21)
VI. Provision for taxation		-	-
VII. Profit/ (Loss) for the Period (V - VI)		18,569,457.48	(14,725,267.21)

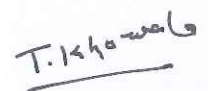
The Schedules referred to above and notes to accounts form an integral part of the Income and Expenditure 1 account.



Priya Agarwal
Chartered Accountant
Membership No. 442380

For and on behalf of
Sigma HTS LLP


Rajeev Singh Dugal
Partner
DIN 00052037


Tara Khowala
Partner
DIN 02312414

Place : Jamshedpur
Dated: The 25th day of July 2020

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:

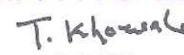
Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events 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	As at 31st March, 2020	As at 31st March, 2019
NOTE # 2		
Partner's Fund		
Partner's Contribution		
Precision Automotive Pvt. Ltd.	78,000,000.00	78,000,000.00
Jasjit Singh Dugal	1,000,000.00	1,000,000.00
Tara Khowala	2,500,000.00	2,500,000.00
Harjeet Singh	1,200,000.00	-
Total	82,700,000.00	81,500,000.00
NOTE # 3		
Partner's Current Capital Account		
<u>Precision Automotive Pvt. Ltd.</u>		
Opening Balance	139,133,200.00	135,433,200.00
Add:- Addition during the year	23,500,000.00	3,700,000.00
	162,633,200.00	139,133,200.00
NOTE # 4		
Reserves & Surplus		
Opening Balance	(46,162,244.88)	(31,436,977.67)
Add:- Profit/(Loss) during the year	18,569,457.48	(14,725,267.21)
Closing Balance	(27,592,787.40)	(46,162,244.88)
NOTE # 5		
Long Term Borrowings		
Secured Loans		
Axis Bank Term Loan	90,000,000.00	106,000,000.00
Axis Bank Vehicle Loan	229,025.00	375,313.00
	90,229,025.00	106,375,313.00
NOTE # 6		
Short Term Borrowings		
Secured Loans		
Cash Credit with Axis Bank	10,957,928.38	8,564,795.06
Unsecured Loans		
Timken India Limited	-	-
	10,957,928.38	8,564,795.06
NOTE # 7		
Other Liability		
Current Maturity of Long Term Borrowing	17,020,497.00	17,177,248.00
Sundry Creditors		
(i) Total Outstanding dues of MSME	22,780,044.80	2,464,214.39
(ii) Total Outstanding dues of Creditors other than MSME	24,054,546.35	20,125,739.93
Duties & Taxes		
TDS & TCS Payable	65,492.00	96,737.00
Professional Tax Payable	2,724.00	2,724.00
EPF Payable	48,726.00	43,551.00
ESIC Payable	7,096.00	13,356.00
GST Payable	35,142.00	38,546.00
Expenses Payable	694,262.00	645,067.00
Audit Fees Payable	22,500.00	22,500.00
	64,731,030.15	40,629,683.32



SIGMA HTS LLP

(Signature)
Partner

SIGMA HTS LLP

(Signature)
Partner

SIGMA HTS LLP - AAF 9444									
Balance Sheet as at 31st March 2020									
NOTE # 8									
Fixed Assets									
Particulars	Rate	W.D.V. as on 01.04.2019	Addition Upto 30.09.2019	Addition After 30.09.2019	Deletion	Total	Depreciation / Amortisation For the year	Additional Depreciation For the year	W.D.V. as on 31.03.2020
Tangible Assets									
Building & Shed	10%	55,758,615.27	-	1,900,389.66	-	57,659,004.93	5,670,881.01	-	51,988,123.92
Computer Hardware & Software	40%	682,243.63	-	61,884.75	-	744,128.38	285,274.40	-	458,853.98
Electrical Installation	15%	18,375,918.33	-	-	-	18,375,918.33	2,756,387.75	-	15,619,530.58
Furniture & Fixtures	10%	224,461.66	1,398.00	127,888.98	-	353,748.64	28,980.42	-	324,768.23
Land at Tirulidh	-	19,386,075.00	-	-	-	19,386,075.00	-	-	19,386,075.00
Motor Vehicles	15%	721,010.93	-	-	-	721,010.93	108,151.64	-	612,859.29
Office Equipments	15%	531,201.62	4,977.46	-	-	536,179.08	80,426.86	-	455,752.22
Plant & Machinery	15%	160,161,714.27	1,661,744.43	1,435,070.75	16,303,000.00	146,955,529.45	21,935,699.11	475,855.96	124,543,974.38
Capital Work in Progress									
Capital WIP - Building & Shed	0%	6,386,979.72	13,150,524.29	11,851,977.50	1,900,389.66	29,489,091.85	-	-	29,489,091.85
Capital WIP - Electrical Installation	0%	-	-	4,882,912.85	-	4,882,912.85	-	-	4,882,912.85
Capital WIP - Plant & Machinery	0%	-	7,035,599.70	19,010,661.21	-	26,046,260.91	-	-	26,046,260.91
Capital WIP - Computer Hardware & Software	0%	-	-	1,166,019.83	-	1,166,019.83	-	-	1,166,019.83
Intangible Assets									
Pre-Operative Expenses		5,948,962.43	-	-	-	5,948,962.43	1,982,987.48	-	3,965,974.95
Pre-Incorporation Expenses		349,332.00	-	-	-	349,332.00	116,444.00	-	232,888.00
Total		268,526,514.87	21,854,243.88	40,436,805.53	18,203,389.66	312,614,174.62	32,965,232.67	475,855.96	279,173,085.99
Previous Year		297,653,128.07	15,041,158.01	4,080,892.15	6,740,120.20	310,035,058.03	40,471,819.05	1,036,724.11	268,526,514.87



SIGMA HTS LLP

SIGMA HTS LLP

(Signature)
Partner

(Signature)
T. Khorech
Partner

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

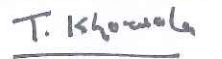
Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 9		
Long-Term Loans and Advances		
Security Deposits	91,000.00	1,733,765.00
	<u>91,000.00</u>	<u>1,733,765.00</u>
NOTE # 10		
Inventories		
(a) Raw Materials	18,544,876.20	2,896,938.19
(b) Stores & Consumable	10,172,979.32	7,520,242.63
	<u>28,717,855.52</u>	<u>10,417,180.82</u>
NOTE # 11		
Trade Receivables		
(a) Sundry Debtors	25,384,900.00	16,727,503.95
	<u>25,384,900.00</u>	<u>16,727,503.95</u>
NOTE # 12		
Short-Term Loans and Advances		
Advance Against Purchase of Capital Goods	33,145,302.46	10,035,228.01
Other Advances	948,056.25	261,254.00
Balance with Revenue Authorities	8,901,558.39	8,832,497.87
Fixed Deposit with Banks	6,986,708.50	11,809,063.80
Other Receivables	31,769.90	31,769.90
	<u>50,013,395.50</u>	<u>30,969,813.58</u>
NOTE # 13		
Cash and Cash Equivalents		
Balance with Banks	266,052.12	1,648,175.62
Cash in Hand	12,107.00	17,792.66
	<u>278,159.12</u>	<u>1,665,968.28</u>



SIGMA HTS LLP


Partner

SIGMA HTS LLP


Partner

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 14		
Revenue from Operations		
Revenue from Job Work	71,058,880.73	95,269,652.28
Sales of Goods	335,339,467.76	189,956,599.83
	<u>406,398,348.49</u>	<u>285,226,252.11</u>
NOTE # 15		
Other Income		
Agriculture Income	212,259.00	129,003.40
Brokerage / Commission Income	1,970,240.85	3,926,485.12
Rental Services	400,000.00	-
Security Services	15,000.00	-
Discount Received	140,095.68	46,778.00
Interest Income	652,249.05	485,112.00
Insurance Claim Received	611,124.00	110,570.62
Income from Capital Gain	135,959.33	-
Liabilities Written Off	64,036.43	-
	<u>4,200,964.34</u>	<u>4,697,949.14</u>
NOTE # 16		
[A] Cost of Raw Material Consumed		
(a) Opening Stock of Material	2,896,938.19	283,715.97
(b) Add: Material Purchased	256,862,679.21	138,695,683.38
(c) Less: Closing Stock of Material	18,544,876.20	2,896,938.19
Cost of Raw Material Consumed (a+b-c)	<u>241,214,741.20</u>	<u>136,082,461.16</u>
[B] Cost of Stores & Consumable		
(a) Opening Stock of Stores & Consumable	7,520,242.63	3,399,655.36
(b) Add: Stores & Consumable Purchased	32,224,333.47	28,084,029.36
(c) Less: Closing Stock of Stores & Consumable	10,172,979.32	7,520,242.63
Cost of Stores Consumed (a+b-c)	<u>29,571,596.78</u>	<u>23,963,442.09</u>
Grand Total of Material Consumed [A + B]	<u>270,786,337.98</u>	<u>160,045,903.25</u>
NOTE # 17		
Employee Benefit Expenses		
Salary / Wages	8,395,797.00	7,372,274.00
Stipend / Training Expenses	396,510.00	627,807.00
Staff & Labour Welfare	214,808.49	329,543.05
Contribution to EPF	305,647.00	270,590.00
Contribution to ESIC	87,399.00	105,234.00
Other Benefits	255,401.00	61,210.00
	<u>9,655,562.49</u>	<u>8,766,658.05</u>
NOTE # 18		
Finance Cost		
Interest on Term Loan	11,347,913.00	12,048,160.00
Interest on Vehicle Loan	39,277.00	50,471.00
Interest on Unsecured Loan	-	163,470.90
Interest on Cash Credit	456,451.00	228,678.33
LC Charges	167,226.77	601,067.16
Other	-	163.00
	<u>12,010,867.77</u>	<u>13,092,010.39</u>



SIGMA HTS LLP

[Signature]
Partner

SIGMA HTS LLP

T. Khosla

Partner

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 19		
Other Expenses		
(i) Direct Expenses		
Power & Fuels	39,952,168.00	40,067,306.00
Labour Charges	10,077,493.41	12,886,492.29
Job Work Charges	2,343,757.92	8,939,539.88
Freight Charges	2,613,011.25	3,831,016.57
Lab Expenses	52,610.00	473,764.00
Loading & Unloading Expenses	22,880.00	8,750.00
Total (i)	55,061,920.58	66,206,868.74
(ii) Other Selling & Administrative Expenses		
Administrative Expenses	300,000.00	300,000.00
Advertisement Expenses	-	11,440.00
Agricultural Expenses	95,821.90	49,285.78
Audit Fees	32,500.00	25,000.00
Bank Charges	526,647.31	21,554.79
Calibration Charges	203,930.00	129,785.00
Canteen Expenses	293,960.62	329,259.90
Fees & Subscription	163,664.16	154,140.00
Fooding & Lodging Expenses	309,706.25	147,829.00
General Expenses	3,393.40	76,072.48
Insurance Charges	563,470.81	735,945.83
Misc & Debit Charges	-	55,012.95
Office Expenses	49,160.00	36,324.00
Packing Expenses	5,050.00	790.50
Postage & Courier Expenses	21,471.74	27,275.00
Printing & Stationery	29,749.00	227,144.50
Professional Fees	477,287.00	641,134.00
Quality Service Charges	271,194.81	2,361,899.14
Rates & Taxes	305,068.88	355,057.77
Rent	1,096,843.00	1,009,000.00
Repairs & Maintenance - Building	82,208.54	365,661.31
Repairs & Maintenance - Others	155,489.00	346,617.02
Repairs & Maintenance - Plant & Machinery	2,548,918.13	4,006,880.63
Round Off	8.19	1.67
Security Charges	1,189,395.03	1,436,860.30
Telephone Charges	219,092.65	205,836.89
Travelling & Conveyance	1,073,040.84	1,253,679.56
Vehicle Hire Charges	1,057,006.64	719,996.85
Total (ii)	11,074,077.90	15,029,484.87
Grand Total	66,135,998.48	81,236,353.61

In Terms of Our Annexed Report of Even Date attached



Priya Agarwal
Chartered Accountant
Membership No. 442380

Rajeev Singh Dugal
Partner
DIN 00052037

For and on behalf of
Sigma HTS LLP

Tara Khowala
Partner
DIN 02312414

Place : Jamshedpur
Dated: The 25th day of July 2020