



# BHARAT WIRE ROPES LTD.

Regd Office :- 524/525, The Corporate Centre, Nirmal Lifestile, LBS Marg, Mulund (W), Mumbai 400 080  
Ph : +91 22 25619961/62 Fax : +91 22 67 74049 -mail : [info@bharatwireropes.com](mailto:info@bharatwireropes.com)  
Websit : [www.bharatwireropes.com](http://www.bharatwireropes.com)

## DIRECTORS' REPORT

To  
The Members ,

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the period ended 31<sup>st</sup> March , 2011.

### 1. FINANCIAL RESULTS :

The following are the financial results of the Company for the period under review :

	2010-2011 Rs.	2009-2010 Rs.
Net Sales and Services	769,732,049	853,979,322
Add: Other Income	219,058	14,843,949
	<u>769,951,107</u>	<u>868,823,271</u>
Profit before Tax and Depreciation	37,286,768	72,834,913
Less: Depreciation	11,120,188	11,162,754
Profit before Tax	26,166,580	61,672,159
Less: Current tax	7,104,131	5,884,000
Add: Minimum Alternative Tax Credit Entitlement	10,550,651	-
Deferred Tax	877,008	-
Less: Income Tax for Earlier Years	6,178,810	-
Profit after Tax available for appropriation	24,311,298	55,788,159
Add: Balance brought forward from previous year	54,461,469	(1,326,689)
Balance carried to Balance Sheet	<u>78,772,767</u>	<u>54,461,469</u>



Tin No. 27960001554V / 27960001554C ; PAN No. AABCB1280N ; Excise Regn. No. AABCB2180 XM002  
Factory : Plot No. 1 & 4, Atgaon Industrial Complex, Mumbai- Nashik Highway, Atgaon (East), Shahapur, Thane -



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## 2. OPERATIONS:

Overall performance of the company has been satisfactory during the year. Sales reduced during the year due to change of focus of the company by increasing concentration on high value added products which gives more profitability. The net profit of the company is 243.11 lacs during 2010-11 which reduced mainly on account of writing off of non recoverable debts amounting to Rs. 616.54 lacs. Net profit is higher at 11.16% (ignoring impact of write-off) as compared to 6.48% during last year.

## 4. EXPANSION :

The company has undertaken various initiatives of expanding capacities, in increasing efficiency by de-bottlenecking and overhauling of machines which is expected to improve the quality and output in future.

## 4. DIVIDEND:

With a view to conserve the resources of the Company for expansion, the Directors do not recommend any dividend for the year ended 31<sup>st</sup> March 2011.

## 5. DIRECTORS:

During the year under review Mr. S.M. Shah, Mr. D. M. Shah, Mr. Sanjay Dangi resigned as Directors. The Board places on record its appreciation of the valuable services rendered to the Company by the said Directors during their tenure as Directors of the Company.

Mr. Murarilal Mittal and Mr. Sushil Sharda were appointed as Additional Directors on 3<sup>rd</sup> November 2010 and 2<sup>nd</sup> May 2011 respectively. They hold office up to the date of the Annual General Meeting and being eligible have offered themselves for reappointment.

Mr. Sushil Sharda and Mr. Mayank Mittal were appointed as Whole-time Directors for a period of 5 years and 3 years with effect from 2<sup>nd</sup> May 2011 and 1<sup>st</sup> July 2011 respectively during the year, subject to the approval of the shareholders in the forthcoming Annual General Meeting

In accordance with Article 101 of the Articles of Association of your Company and provisions of Section 255, 256 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Braja Mishra retires by rotation and being eligible, offers himself for re-appointment.



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## 6. REMUNERATION TO EXECUTIVE DIRECTORS:

In accordance with the provisions of Schedule XIII the following disclosures with regard to remuneration paid to Directors during the financial year ended 31<sup>st</sup> March 2011 are made-

<u>Name of Director</u>	<u>Remuneration paid during the financial year 2010-2011</u>	
	<u>Basic Salary(Rs.)</u>	<u>Allowances(Rs.)</u>
Dr. S.K. Mittal	4,50,000/-	2,25,000/-

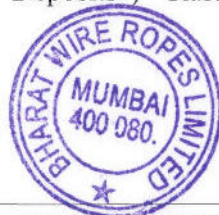
## 7. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 ( 2 AA ) which was introduced by the Companies ( Amendment ) Act , 2000 , your Directors confirm that they have :-

- (i) Followed the applicable accounting standards in the preparation of the annual accounts.
- (ii) Selected such accounting policies and applied them consistently, made and of the profit of the Company for the year ended 31<sup>st</sup> March , 2011.
- (iii) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act , for safe guarding the assets of the Company, preventing, detecting fraud and other irregularities .
- (iv) Prepared the annual accounts for the Financial year 31st March , 2011 on a going concern basis .

## 8. DEPOSITS:

The Company has not invited nor accepted any Deposits from the Public under the Companies ( Acceptance of Deposits ) Rules, 1975 read with Section 58A of the Companies Act , 1956 .



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## 9. PARTICULARS OF EMPLOYEES :

The Company has no such employee as would be covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO.

The Company is taking necessary steps for Conservation of Energy. Technology Absorption is not applicable to the Company. Particulars of Foreign Exchange Earnings and Outgo are as provided in the Notes to Accounts.

## 11. AUDITORS :

M/s Sureka Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letters from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

## 12. ACKNOWLEDGEMENTS :

Your Directors thank the Company's Bankers for their help and co-operation extended throughout the year. Your Directors place on record their appreciation for the support and co-operation that the Company received from its stakeholders, customers and suppliers. Your Directors also record their appreciation for the excellent operational performance of the staff of the Company that contributed to the achievements of the Company.

For and on behalf of the Board of Directors

  
(M.L. MITTAL)  
CHAIRMAN

Date: 12<sup>th</sup> August, 2011



Tin No. 27960001554V / 27960001554C ; PAN No. AABC1280N ; Excise Regn. No. AABC2180 XM002  
Factory : Plot No. 1 & 4, Atgaon Industrial Complex, Mumbai-Nashik Highway, Atgaon (East), Shahapur, Thane -



## AUDITORS' REPORT

To the Members of Bharat Wire Ropes Limited

1. We have audited the attached Balance Sheet of **BHARAT WIRE ROPES LIMITED (the "Company")** as at 31<sup>st</sup> March, 2011 and also the Profit and Loss account for the year ended on that date annexed thereto (all together referred as "financial statements"), which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section 4(A) of Section 227 of the Companies Act, 1956 (the 'Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the statement referred to in paragraph 3 above:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of the books.
  - c) The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and the Profit and Loss account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956
  - e) On the basis of the written representations received from the Directors of the Company as at 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



**SUREKA ASSOCIATES**  
CHARTERED ACCOUNTANTS

- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement together with the notes thereon and attached thereto give in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011
  - ii. In the case of the Profit and Loss account, of the Profit for the year ended on that date.

For and on behalf of  
**SUREKA ASSOCIATES**  
Firm Registration No. 110640W  
Chartered Accountants


**Suresh Sureka**  
Partner  
Membership No. 34132

Place : Mumbai  
Date : 12<sup>th</sup> August, 2011



## ANNEXURE TO THE AUDITORS' REPORT

**Statement referred to in paragraph (3) of our report of even date to the members of Bharat Wire Ropes Limited on the financial statements for the year ended 31<sup>st</sup> March, 2011**

- 1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased periodical manner at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) In our opinion and according to information and explanation given to us, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2) (a) Physical verification of inventories at part has been conducted by the management at reasonable intervals during the year. In our opinion having regards to nature of business and location of stocks, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to the book records were not material.
- 3) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
  - (b) According to the information and explanations given to us, the Company has taken unsecured loans from one company covered in the register maintained under Section 301 of the Act. The maximum outstanding at any time during the year was Rs 307.07 lacs and year-end balance is Rs 307.05 lacs.
  - (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
  - (d) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.





- (e) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.
- 5) According to the information and explanation given to us, there is no contract or arrangement, the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year with in the meaning of section 58A and 58AA of the Act and the rules framed there under.
- 7) The Company does not have an internal audit system. However, as per information and explanations given to us, the Company has adequate internal control commensurate with the size of the Company and nature of its business to ensure independent checking of all transactions at periodic intervals
- 8) On the basis of records produced, we are of the opinion that prima facie cost accounting records prescribed by the Government u/s 209(1)(d) of the Act, in respect of products of the Company have been maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounting records.
- 9) (a) According to the information and explanations given us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable to it, with the appropriate authorities .
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31,2011 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no disputed dues on account of sales tax/custom tax/ wealth tax/ service tax/ excise duty/ cess. Dues on account of the disputed Income tax which have not been deposited are as under:

Name of the statute (Nature of Dues)	Amount (Rs. in Lacs)	Period to which amount relates	Forum where Dispute is pending
Income tax Act,1961	13.26	AY 2008-09	Commissioner of Income Tax (Appeal)

- 10) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.





- 11) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society.
- 14) The Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and related information as made available to us, we are of the opinion that there are no funds raised on short term basis which have been used for long term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we haven't come across any instance of fraud on or by the Company, noticed or reported during the year.

For and on behalf of  
**SUREKA ASSOCIATES**  
Firm Registration No. 110640W  
Chartered Accountants

  
**Suresh Sureka**  
Partner  
Membership No. 34132



Place : Mumbai  
Date : 12<sup>th</sup> August, 2011

# BHARAT WIRE ROPES LIMITED

Balance Sheet as at 31 MARCH, 2011

	Schedules No.	As at 31st March 2011 (Rupees)	As at 31st March 2010 (Rupees)
<b>Sources of Funds</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	125,594,000	125,594,000
Reserves and Surplus	2	161,542,455	137,231,156
		<b>287,136,455</b>	<b>262,825,156</b>
<b>Loan Funds</b>			
Secured Loans	3	277,321,993	97,421,239
Unsecured Loans	4	198,075,896	147,246,227
		<b>475,397,889</b>	<b>244,667,466</b>
<b>TOTAL</b>		<b>762,534,344</b>	<b>507,492,623</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	5	334,006,516	285,936,403
Less : Depreciation		98,918,678	88,301,119
Net Block		235,087,838	197,635,284
Capital Work in Process		4,305,287	-
		<b>239,393,125</b>	<b>197,635,284</b>
<b>Current Assets, Loans and Advances</b>			
Inventories	6	414,932,494	187,356,792
Sundry Debtors	7	251,793,400	266,271,434
Cash and Bank balances	8	35,229,410	8,143,242
Loans and Advances	9	121,564,640	86,250,819
		<b>823,519,944</b>	<b>548,022,288</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	10	281,032,954	232,280,949
Provisions	11	20,222,780	5,884,000
		<b>301,255,734</b>	<b>238,164,949</b>
<b>Net Current Assets</b>		<b>522,264,210</b>	<b>309,857,339</b>
<b>Deferred Tax Asset</b>		<b>877,008</b>	-
<b>TOTAL</b>		<b>762,534,344</b>	<b>507,492,623</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	17		

As per our attached report of even date

For SUREKA ASSOCIATES  
Firm Registration No.110640W  
Chartered Accountants



Suresh Sureka  
Partner  
Membership No. 34132  
Place : Mumbai  
Date : 12th August, 2011



For and on behalf of the Board

  
M. L. Mittal  
Director

  
Dr. S. K. Mittal  
Director

  
Sushil Sharda  
Director

  
Mayank Mittal  
Director



# BHARAT WIRE ROPES LIMITED

Profit and Loss Account for the year ended 31 MARCH, 2011

	Schedule No.	Year ended 31-3-11 (Rupees)	Year ended 31-3-10 (Rupees)
<b>Income</b>			
Sales and Services (Gross)	12	839,511,666	901,294,378
Less : Excise Duty		69,779,617	47,315,056
Sales and Services (Net)		<b>769,732,049</b>	<b>853,979,322</b>
Other Income	13	219,058	14,843,949
		<b>769,951,107</b>	<b>868,823,271</b>
<b>Expenditure</b>			
Cost of Materials	14	521,591,244	666,977,232
Manufacturing and other expenses	15	185,863,121	115,413,135
Finance cost (Net)	16	25,209,974	13,597,991
Depreciation		11,120,188	11,162,754
		<b>743,784,527</b>	<b>807,151,112</b>
<b>Profit before Tax</b>		26,166,580	61,672,159
<b>Provision for Taxation</b>			
Less: Current Tax		7,104,131	5,884,000
Add: Minimum Alternative Tax Credit Entitlement		10,550,651	-
Add: Deferred Tax		877,008	-
Less: Income Tax for Earlier Years		6,178,810	-
<b>Profit Available for Appropriation</b>		<b>24,311,298</b>	<b>55,788,159</b>
<b>Balance brought forward from previous year</b>		54,461,469	(1,326,689)
<b>Balance carried to Balance Sheet</b>		<b>78,772,767</b>	54,461,469
<b>Significant Accounting Policies and Notes to Accounts</b>	17		

As per our attached report of even date

For SUREKA ASSOCIATES  
Firm Registration No.110640W  
Chartered Accountants

Suresh Sureka  
Partner  
Membership No. 34132

Place : Mumbai  
Date : 12th August, 2011



For and on behalf of the Board

M. L. Mittal  
Director

Dr. S. K. Mittal  
Director

Sushil Sharda  
Director

Mayank Mittal  
Director

# BHARAT WIRE ROPES LIMITED

## Schedules forming part of the Accounts

	As at 31st March 2011 (Rupees)	As at 31st March 2010 (Rupees)
<b>Schedule 1</b>		
<b><u>Share Capital</u></b>		
<b><u>Authorised</u></b>		
1,30,00,000 Equity Shares of Rs.10 each.	130,000,000	130,000,000
<b><u>Issued, Subscribed And Paid Up</u></b>		
1,25,59,400 (1,25,59,400) Equity Shares of Rs. 10 each fully paid up	125,594,000	125,594,000
	<b>125,594,000</b>	<b>125,594,000</b>
<b>Schedule 2</b>		
<b><u>Reserves And Surplus</u></b>		
Capital Reserve on Revaluation of Assets	4,799,688	4,799,687
Securites Premium Account	77,970,000	77,970,000
Profit and Loss account	78,772,767	54,461,469
	<b>161,542,455</b>	<b>137,231,156</b>
<b>Schedule 3</b>		
<b><u>Secured Loans (Refer Note 3)</u></b>		
<b><u>Term Loan / Corporate Loans from Banks</u></b>		
	46,365,717	7,440,515
<b><u>Working Capital Loans from Banks</u></b>		
(i) Cash Credit	80,956,728	79,344,556
(ii) Working Capital Demand Loan	149,999,548	-
(iii) Export Packing Credit Loan (P.C.F.C.)	-	10,636,168
	<b>277,321,993</b>	<b>97,421,239</b>
<b>Schedule 4</b>		
<b><u>Unsecured Loans</u></b>		
<b><u>From Sales Tax (Refer Note 4)</u></b>		
Deferred Sales Tax Loan	167,371,140	147,246,227
<b><u>From Others</u></b>		
	30,704,756	-
	<b>198,075,896</b>	<b>147,246,227</b>
<b>Schedule 6</b>		
<b><u>Inventories</u></b>		
[As taken, valued and certified by the management]		
Raw materials	180,466,511	123,718,717
Work-in-Process	229,309,331	46,448,635
Finished Goods	5,156,653	17,189,441
	<b>414,932,494</b>	<b>187,356,792</b>
<b>Schedule 7</b>		
<b><u>Sundry Debtors</u></b>		
[Unsecured, considered good]		
Trade Debtors (More than six months)	55,581,298	-
Other Debts	196,212,103	266,271,434
	<b>251,793,400</b>	<b>266,271,434</b>





# BHARAT WIRE ROPES LIMITED

## Schedules forming part of the Accounts

	As at 31st March 2011 (Rupees)	As at 31st March 2010 (Rupees)
<b>Schedule 8</b>		
<b><u>Cash and Bank Balances</u></b>		
Cash in hand	140,032	56,877
Balances with Scheduled Banks		
- in Current account	1,657,389	42,284
- in Margin Money account	33,431,989	8,044,081
	<b>35,229,410</b>	<b>8,143,242</b>
<b>Schedule 9</b>		
<b><u>Loans And Advances</u></b>		
[Unsecured, considered good]		
<b>Recoverable in cash or in kind or for value to be received</b>		
Balance with Central Excise and Other Government Authorities	94,736,341	65,906,184
Other Advances	19,210,936	14,053,103
Deposits	7,617,362	6,291,532
	<b>121,564,640</b>	<b>86,250,819</b>
<b>Schedule 10</b>		
<b><u>Current Liabilities</u></b>		
<b><u>Acceptances</u></b>		
Sundry Creditors	260,019,944	212,964,448
Trade Advances	9,409,768	16,622,041
Other Liabilities	11,603,243	2,694,460
	<b>281,032,954</b>	<b>232,280,949</b>
<b>Schedule 11</b>		
<b><u>Provisions</u></b>		
Provision for Taxation (Net)	16,247,318	5,884,000
Provision for Retirement & Other Benefits	3,975,462	-
	<b>20,222,780</b>	<b>5,884,000</b>



# BHARAT WIRE ROPES LIMITED

## Schedules forming part of the Accounts

	Year ended 31-3-11 (Rupees)	Year ended 31-3-10 (Rupees)
<b>Schedule 12</b>		
<b>Sales and Services</b>		
Sales	838,175,990	898,841,581
Export Benefits	1,335,676	2,452,797
	<b>839,511,666</b>	<b>901,294,378</b>
<b>Schedule 13</b>		
<b>Other Income</b>		
Interest on Income Tax Refund	219,058	87,475
Rent Received	-	3,129,336
Miscellaneous Income	-	11,627,138
	<b>219,058</b>	<b>14,843,949</b>
<b>Schedule 14</b>		
<b>Cost of Materials</b>		
<b>(A) Raw Materials consumed</b>		
Opening Stock	123,718,717	42,749,190
Add: Purchases	748,685,409	781,376,283
	872,404,126	824,125,473
Less: Closing Stock	180,466,511	123,718,717
	<b>691,937,615</b>	<b>700,406,756</b>
<b>(B) (Increase)/Decrease in Stock</b>		
<b>Closing stock</b>		
- Finished Goods	5,156,653	17,189,441
- Work- in-Process	229,309,331	46,448,635
	<b>234,465,984</b>	<b>63,638,076</b>
<b>Less : Opening Stock</b>		
- Finished Goods	17,189,441	12,083,420
- Work- in-Process	46,448,635	18,125,131
	<b>63,638,076</b>	<b>30,208,551</b>
<b>Less : Increase/(Decrease ) In Excise Duty on Finished Goods</b>	481,537	-
<b>Total (B)</b>	<b>(170,346,371)</b>	<b>(33,429,525)</b>
<b>(Total A+B)</b>	<b>521,591,244</b>	<b>666,977,232</b>





# BHARAT WIRE ROPES LIMITED

## Schedules forming part of the Accounts

	Year ended 31-3-11 (Rupees)	Year ended 31-3-10 (Rupees)
<b>Schedule 15</b>		
<b><u>Manufacturing and other expenses</u></b>		
Stores & Spares consumed	923,133	134,322
Packing Materials consumed	17,228,016	10,102,829
Freight Expenses	21,608,743	36,410,620
Labour Charges	10,485,396	8,897,590
Salaries, Wages & Other Benefits	37,438,427	17,864,543
Contribution to Provident & Other Funds	1,729,993	1,359,326
Directors Remuneration	2,403,000	120,000
Power & Water Charges	6,785,397	5,300,362
Travelling & Conveyance Expenses	3,117,299	1,436,762
Office & Factory General Expenses	3,211,811	3,552,083
<b><u>Repairs &amp; Maintenance</u></b>		
Plant & Machinery	463,566	284,889
Buildings	1,360,941	1,014,578
Others	1,416,076	629,288
Staff Training & Welfare	1,950,804	1,525,876
Bad Debts	61,653,756	-
Commission on Sales	3,855,455	7,633,647
Communication Expenses	1,295,960	1,052,467
Professional & Consultancy Fees	1,559,129	510,835
Vehicle Expenses	1,078,573	739,437
Security Charges	1,459,060	1,476,346
Rent Rates & Taxes	907,697	1,334,131
Insurance Charges	325,200	422,950
Printing & Stationary	599,673	568,609
Foreign Exchange Diff (Net)	(31,569)	131,928
Loss on Sale of Plant & Machinery	27,581	-
Miscellaneous Expenses	3,010,005	12,909,717
	<b>185,863,121</b>	<b>115,413,135</b>
<b>Schedule 16</b>		
<b><u>Finance Cost</u></b>		
Interest (Net)	20,019,056	7,399,284
Bank Charges	5,190,918	6,198,708
	<b>25,209,974</b>	<b>13,597,991</b>



## BHARAT WIRE ROPES LIMITED

### SCHEDULE 5 - FIXED ASSETS

Sr. No.	Name of the Assets	Gross Block (Rs.)			Depreciation (Rs.)			Net Block (Rs.)		
		As at 01.04.10	Addition	Deduction	As at 31.03.11	As at 01.04.10	During the Year	Deduction	As at 31.03.11	As at 31.03.10
1	Goodwill	19,951,368	-	-	19,951,368	-	-	-	19,951,368	19,951,368
2	Land At Algaon	19,007,541	10,512,600	-	29,520,141	-	-	-	29,520,141	19,007,541
3	Factory Building	73,342,150	3,905,940	-	77,248,090	17,582,917	2,485,832	-	57,179,341	55,759,233
4	Office Premises	12,872,391	-	-	12,872,391	2,165,093	209,820	-	10,497,478	10,707,298
5	Plant & Machinery	151,954,530	22,310,035	1,107,135	173,157,430	64,254,230	7,388,384	502,630	102,017,447	87,700,301
6	Furniture And Fixtures	1,644,534	2,026,835	-	3,671,369	766,550	121,892	-	2,782,926	877,984
7	Office & Factory Equipments	4,227,968	1,022,243	-	5,250,211	1,327,570	151,287	-	3,771,354	2,900,398
8	Computer	1,849,872	6,407,184	-	8,257,057	1,659,074	499,123	-	6,098,860	190,798
9	Vehicles	1,086,048	2,992,411	-	4,078,459	545,685	263,849	-	3,268,924	540,363
	<b>Total</b>	<b>285,936,403</b>	<b>49,177,248</b>	<b>1,107,135</b>	<b>334,006,516</b>	<b>88,301,119</b>	<b>11,120,188</b>	<b>502,630</b>	<b>235,087,838</b>	<b>197,635,284</b>
	<b>Previous Year</b>	<b>279,020,336</b>	<b>7,926,321</b>	<b>1,010,255</b>	<b>285,936,402</b>	<b>77,249,597</b>	<b>11,162,754</b>	<b>-</b>	<b>197,635,283</b>	<b>201,770,741</b>





# BHARAT WIRE ROPES LIMITED

## Schedule 17

### Significant Accounting Policies and Notes to Accounts

(Amount in Rupees)

#### I. Significant Accounting Policies

##### 1) Basis of Accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the mandatory accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, to the extent applicable, and in accordance with the provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

##### 2) Use of Estimates

The preparation of financial statements requires the management of Company to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized. Though the management believes that the estimates used are prudent and reasonable, actual results could differ from these estimates.

##### 3) Fixed Assets

- a) Fixed assets are stated at cost, unless stated otherwise. Cost comprises the purchase price and attributable expenses.
- b) **Impairment of Assets:** Impairment of an asset is reviewed and recognised in the event changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognised as impairment loss in the statement of profit and loss in the year of impairment.
- c) **Capital work in progress:** Capital work in progress is stated at the amount expended up to the date of balance sheet, advances made on capital accounts and expenditure incurred during construction period:

##### 4) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

##### 5) Depreciation on Fixed Assets

- a) Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) Leasehold improvements are depreciated over the unexpired period of respective leases or useful life whichever is shorter.



**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

- c) Fixed assets costing individually up to Rs. 5,000 are depreciated fully in the year of purchase.

**6) Investment**

Investments intended to be held for more than a year, from the date of acquisition, are classified as long-term and are stated at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. Current Investments are stated at cost or fair value whichever is lower.

**7) Revenue Recognition**

- a) Sale of goods is recognized when the risks and rewards of ownership are passed on to the customers, which is generally on dispatch. Export Sales are accounted for on the basis of date of bill of lading. Gross Sales include excise duty, adjustments for price variation, quality claims, liquidated damages and exchange rate variations related to export realization.
- b) Export benefits: Duty Entitlement Pass Book (DEPB) is accounted on accrual basis.
- c) Revenue from Services is recognized when the services are completed.
- d) Dividend income is recognized when the right to receive the dividend is unconditional.

**8) Inventory**

Inventories are valued at lower of cost or net realizable value.

**9) Operating Lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as an expense on accrual basis in accordance with the respective lease agreements.

**10) Foreign Currency Transactions**

- a) Foreign exchange transactions are converted into Indian Rupees at the prevailing rate on the date of the transactions. Current monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the year. Non monetary items are carried at cost.
- b) Gains or losses arising out of remittance / translations at the year-end are credited / debited to the profit and loss account for the year and where it relates to acquisition of fixed assets, are adjusted to the carrying cost of such assets except treatment as per amendment to AS-11.
- c) Premium / discount on forward exchange contracts not relating to firm commitments or highly probable forecasted transactions and not intended for Trading or Speculation purpose is amortized as income or expense over the life of the contract.





**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

**11) Accounting for Taxes on Income**

- a) Current tax is determined as the amount of tax payable in respect of taxable income of the year computed as per the Income Tax Act, 1961.
- b) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using prevailing enacted or substantively enacted tax rates.

**12) Employee Benefits**

a) **Short-term Benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

b) **Defined Benefit Plans**

The Company's liability towards gratuity and superannuation benefits of eligible employees is covered by a policy with LIC and the annual contributions are paid /provided in accordance with this scheme. Leave encashment is provided on the basis of leave balance as at the date of Balance Sheet. The Company's contribution towards provident fund is administered and managed by an approved trust and is charged to revenue.

c) **Defined Contribution Plans**

Provident fund is a post-employment defined contribution plan, with no legal and constructive obligation to pay further amounts. Contribution to provident fund is recognized as an expense when they are due.

**13) Research and Development**

Capital expenditure on research and development is treated in the same manner as fixed assets. Revenue expenditure on research and development is charged to Profit and Loss Account.

**14) Provisions, Contingent Liabilities & Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed in the financial accounts.

Contingent assets are not recognized or disclosed in the financial statements.



**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

**II. Notes to Accounts**

- 1) Estimated amount of contract, remaining to be executed on capital account and not provided for (net of advances) Rs 136.41 lacs (PY Rs Nil)

- 2) Contingent Liabilities not provided for

(Rs in Lacs)

Particulars	31-03-11
Performance Guarantees/Bid Bond given by banks to company's customers / government authorities etc.	330.91
Disputed Income Tax	13.26

**3) Secured Loans**

a) **Term Loan/Corporate Loan From Banks**

Corporate Loan of Rs 463.65 Lacs (PY Rs 74.40 Lacs) are secured by first charge by way of mortgage / hypothecation of entire immovable and movable fixed assets of the Company at Atgaon, both present and future and also secured by second/floating charge on current assets

b) **Working Capital Facilities**

Working Capital facilities from Banks are secured by first charge of hypothecation of raw materials, work in process, finished goods, stores and book debts of the Company and second charge on entire immovable and movable fixed assets of the Company at Atgaon, both present and future. It is also secured by the personal guarantee of one of the Director.

**4) Unsecured Loan (Deferred Sales Tax Loan)**

The Govt. of Maharashtra under Package Scheme of Incentive has extended to the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax attributable to the sales effected out of production is deferred (interest free) for a period of 8 Years 9 Months from 01.05.2003 to 31.01.2012. The deferred sales tax in respect of above aggregates to Rs 1673.71 lacs based upon the sales tax returns (previous year Rs 1472.46 lacs.) The above amount is repayable in five equal annual installments from the Financial Year 2020-21 to 2024-25.

**5) Disclosures in respect of Accounting Standard 15 are as under:**

- a) An amount of Rs.17.29 Lacs (previous year Rs 13.59 Lacs) pertaining to Employer's contribution to Provident fund and other fund is recognized as an expense and included in the "Manufacturing and other Expenses" in Profit and Loss account.
- b) Other long term employee benefits: An amount of Rs 22.98 lacs (Previous year Rs 2.66 lacs) pertains to expense towards Leave Encashment.





**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

**6) Year-end Deferred Tax balance comprises the following:**

Particulars	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
Timing Difference resulting in liabilities/ (assets) on account of :		
Depreciation as per Tax law and books	920,663	NIL
Disallowances allowable for tax purpose on payment	(1,797,671)	NIL
Net Deferred Tax Assets	<b>(877,008)</b>	NIL

**7) Segment Reporting**

The Company is engaged in the business of Steel products which in the opinion of the management is considered the only business segment in the context of Accounting Standard 17 on "Segment Reporting".

**8) Related Party disclosures pursuant to Accounting Standard 18 prescribed under the Act.**

**Key Management Personnel :** Dr. Sharwan Kumar Mittal  
Mr. M L Mittal  
Mr. Mayank Mittal  
Mr. Braja Kishore Mishra  
Mr. Sushil Radheyshyam Sharda

**Related Parties :**

Gaji Mercantile Pvt. Ltd. (Holding Company)  
Gyan Shankar Investment & Trading Co. Pvt.Ltd.

**Transactions with related parties during the year are as follows:**

(Rs.in Lacs)

Particulars	31/03/2011	31/03/2010
<b><u>Receipt of Share Application Money</u></b>		
Gaji Mercantile Pvt. Ltd.	200.00	NIL
<b><u>Receipts of Inter Corporate Deposits</u></b>		
Gyan Shankar Investment & Trading Co. Pvt. Ltd	510.00	NIL
<b><u>Repayments of Inter Corporate Deposits along with Interest</u></b>		
Gyan Shankar Investment & Trading Co. Pvt. Ltd	205.18	NIL



**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

Particulars	31/03/2011	31/03/2010
<b>Repayment of Share Application Money</b>		
Gaji Mercantile Pvt. Ltd.	200.00	NIL
<b>Interest Paid/Provided on Intercorporate Deposits</b>		
Gyan Shankar Investment & Trading Co. Pvt. Ltd	2.23	NIL
<b>Salaries and other allowance paid to:</b>		
Dr. Sharwan Kumar Mittal	6.75	NIL
Mr. Sushil Radheyshyam Sharda	17.28	NIL
<b>Balance outstanding at the end of the year:</b>		
Gyan Shankar Investment & Trading Co. Pvt. Ltd	307.05	NIL

- 9) Based on the information presently available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006
- 10) In the opinion of the Management, the current assets, loans & advances have a value on realizations in the ordinary course of business, at least equal to the amount at which they are stated. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.
- 11) The previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification.
- 12) Figures in brackets pertain to previous year.
- 13) Additional information pursuant to Part II of the Schedule VI of the Companies Act, 1956

**1. Opening Stock, Turnover, Closing Stock**

(Rs. In Lacs)

Class of Products	Opening Stock	Turnover (Gross)	Closing Stock
(i) Manufactured Items :-			
Wire	28.52	2450.02	3.54
Wire Ropes, Strands	139.85	4138.85	38.90
Slings, Fittings & Other Items	3.52	1792.88	4.31
Excise Duty on Stock			4.82
<b>Total</b>	<b>171.89</b>	<b>8381.75</b>	<b>51.57</b>

Note: Uniform Unit wise details not available. Hence, Quantity not disclosed.





**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

2. (a) **Consumption** (Rs. in Lacs)

Particulars	For the year ended 31/03/2011	Percentage %
(i) Raw Materials		
Imported	2968.87	43
Indigenous	3950.50	57
<b>Total</b>	<b>6919.37</b>	<b>100</b>
(ii) Stores and Spare Parts		
Imported	Nil	Nil
Indigenous	9.23	100
<b>Total</b>	<b>9.23</b>	<b>100</b>

(b) **Raw Materials Consumed** (Rs in Lacs)

Particulars	For the year ended 31/03/2011
Wire & Wire Strands	5403.82
Fittings Items	1515.55
<b>Total</b>	<b>6919.37</b>

3. **CIF Value of Imports** (Rs. in Lacs)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Raw Materials Components and Spare Parts	2670.17	2870.13
<b>Total</b>	<b>2670.17</b>	<b>2870.13</b>

4. **Expenditure in Foreign Currency on account of** (Rs. in Lacs)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Travelling Expenses	2.14	3.40
<b>Total</b>	<b>2.14</b>	<b>3.40</b>



**Schedule 11**  
**Significant Accounting Policies and Notes to Accounts (Contd...)**  
**(Amount in Rupees)**

**5. Earnings in Foreign Currency on account of**

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Export of Goods (On F.O.B. basis)	611.88	1505.43
<b>Total</b>	<b>611.88</b>	<b>1505.43</b>

As per our attached report of even date

**For SUREKA ASSOCIATES**  
**Firm Registration No. 110640W**  
**Chartered Accountants**

**Suresh Sureka**  
**Partner**  
**Membership No. 34132**

Place: Mumbai  
 Date: 12<sup>th</sup> August, 2011



**For and on behalf of the Board**

**M. L. Mittal**  
**Director**

**Dr. S. K. Mittal**  
**Director**

**Sushil Sharda**  
**Director**

**Mayank Mittal**  
**Director**



# BHARAT WIRE ROPES LIMITED

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

REGISTRATION NO.	11-40468	STATE CODE	11
REGISTRATION DATE :	24-Jul-86		
BALANCE SHEET DATE	31.03.11		

### II. CAPITAL RAISED DURING THE PERIOD (Amount in Rs. Thousands)

PUBLIC ISSUE	-	RIGHT ISSUE	-
BONUS ISSUE	-	PRIVATE PLACEMENT	-
		FROM CALL IN ARREAR	-

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS ( Amount in Rs. Thousands)

TOTAL LIABILITIES	762,534	TOTAL ASSETS	762,534
<u>SOURCES OF FUNDS</u>		<u>APPLICATION OF FUNDS</u>	
PAID UP CAPITAL	125,594	NET FIXED ASSET	239,393
RESERVES AND SURPLUS	161,542	(Including Capital Work in progress)	
SHARE APPLICATION MONEY	-	INVESTMENTS	-
SECURED LOANS	277,322	NET CURRENT ASSETS	523,141
UNSECURED LOANS	198,076	MISC. EXPENDITURE	-
	762,534		762,534

### IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

TURNOVER AND OTHER INCOME	769,951	TOTAL EXPENDITURE	743,785
PROFIT BEFORE TAX	26,167	PROFIT AFTER TAX	24,311
EARNING PER SHARE (Rs.)	1.94	DIVIDEND RATE	NIL

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

PRODUCT DESCRIPTION	ITEM CODE NO. (ITC CODE)
i) Wire Ropes	7,312
ii) Wires	7,217

For and on behalf of the Board

  
M. L. Mittal  
Director

  
Dr. S. K. Mittal  
Director

  
Sushil Sharda  
Director

  
Mayank Mittal  
Director

Date : 12th August, 2011  
Place : Mumbai

