



# BHARAT WIRE ROPES LTD

Regd. Office: A-701, Trade World, Kamla City, Lower Parel (West), Mumbai 400 013 (India)  
Tel Nos: +91 22 66824600/01/02/03/04 Fax No: +91 22 24955477 Email: [info@bharatwireropes.com](mailto:info@bharatwireropes.com)  
Website: [www.bharatwireropes.com](http://www.bharatwireropes.com)

## NOTICE

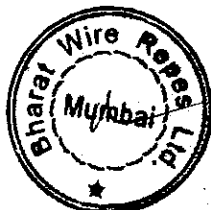
NOTICE is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of M/s. BHARAT WIRE ROPES LIMITED will be held at its Registered Office at 701, A Wing , Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013 on Tuesday, the 30<sup>th</sup> September, 2014 at 11a.m. to consider the following :

### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.V.Rao who retires by rotation and, being eligible, seeks re-appointment.
3. **Appointment of Auditors**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies(Audit & Auditors) Rules 2014, as amended from time to time, M/s Sureka Associates Chartered Accountants (Firm Registration No.110640W) liable to retire at this Annual General Meeting, be and are hereby re-appointed as Statutory Auditors of the Company for transitional period of five consecutive years from the conclusion of this Annual General Meeting subject to ratification by members at every annual general meeting at such remuneration plus service tax, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company or its Committee and the Auditors.”





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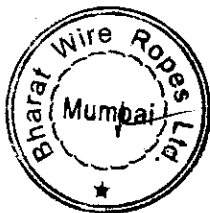
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## SPECIAL BUSINESS

### 4. Appointment of Mr. Mahendra Bagaria as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Mahendra Bagaria (DIN 00005883) who was appointed by the Board of Directors as an Additional Director of the Company (and categorized as 'Independent Director') with effect from 14<sup>th</sup> August, 2014, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act"), and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 1,00,000/- from a Director under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed pursuant to the provisions of Sections 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, of the Act, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director of the Company, be so appointed for a period of 5 years, with effect from 14<sup>th</sup> August, 2014 up to 13<sup>th</sup> August 2019 and further during the tenure of appointment, the said Independent Director shall not be liable to retire by rotation pursuant to Section 152 of the Act."





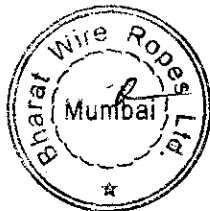
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## 5. Appointment of Mr. Anthony D'Souza as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Anthony D'Souza (DIN 06707269) who was appointed by the Board of Directors as an Additional Director of the Company (and categorized as 'Independent Director') with effect from 14<sup>th</sup> August, 2014, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act"), and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 1,00,000/- from a Director under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed pursuant to the provisions of Sections 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, of the Act, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director of the Company, be so appointed for a period of 5 years, with effect from 14<sup>th</sup> August, 2014 up to 13<sup>th</sup> August 2019 and further during the tenure of appointment, the said Independent Director shall not be liable to retire by rotation pursuant to Section 152 of the Act."



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## 6. Appointment of Mr. Supratik Chatterjee as an Independent Director of the Company

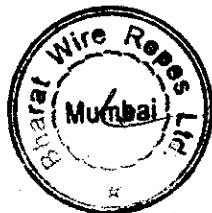
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Supratik Chatterjee (DIN 06934992) who was appointed by the Board of Directors as an Additional Director of the Company (and categorized as 'Independent Director') with effect from 14<sup>th</sup> August, 2014, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act"), and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 1,00,000/- from a Director under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed pursuant to the provisions of Sections 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, of the Act, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director of the Company, be so appointed for a period of 5 years, with effect from 14<sup>th</sup> August, 2014 up to 13<sup>th</sup> August 2019 and further during the tenure of appointment, the said Independent Director shall not be liable to retire by rotation pursuant to Section 152 of the Act."

## 7. Re-appointment of Mr. M. L. Mittal as Managing Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. M. L. Mittal as Managing Director of the Company for a period of three years with effect from 14<sup>th</sup> August, 2014 on a remuneration of Rs. 33 Lacs per annum."





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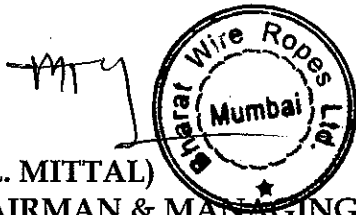
**FURTHER RESOLVED THAT** the consent of the shareholders of the Company be and is hereby also accorded for payment of the above remuneration, where in any financial year the Company has no profits or inadequate profits.

**FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable."

**FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. M. L. Mittal, Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs. 33 Lacs per annum."

By Order of the Board of Directors  
For Bharat Wire Ropes Limited

(M.L. MITTAL)  
CHAIRMAN & MANAGING DIRECTOR



Place: Mumbai  
Date: 2<sup>nd</sup> September, 2014

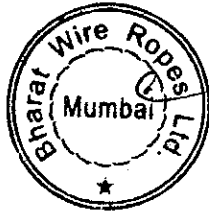


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## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE THE MEMBER OF THE COMPANY.
2. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business is annexed hereto.
3. Proxy forms, in order to be effective, must be deposited at the Registered Office of the company, not later than 48 hours before the time fixed for the meeting.



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## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### **Item No. 4:**

Mr. Mahendra Bagaria was appointed as an Additional Director by the Board of Directors with effect from 14<sup>th</sup> August 2014 and categorized as Independent Director. Pursuant to Section 161 of the Companies Act, 2013, he holds office only up to the Annual General Meeting. A notice from a member under Section 160 of the Companies Act, 2013, signifying his intention to appoint him as Independent Director along with requisite deposit of Rs.1 lakh has been received by the Company.

He has given necessary declaration that he satisfies the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

The Directors recommend the resolution to be adopted by the shareholders as an Ordinary resolution.

None of the Directors or Key Management Personnel, except Mr. Mahendra Bagaria is deemed to be concerned or interested in the resolution.

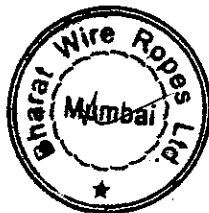
### **Item No. 5:**

Mr. Anthony D'Souza was appointed as an Additional Director by the Board of Directors with effect from 14<sup>th</sup> August 2014 and categorized as Independent Director. Pursuant to Section 161 of the Companies Act, 2013, he holds office only up to the Annual General Meeting. A notice from a member under Section 160 of the Companies Act, 2013, signifying his intention to appoint him as Independent Director along with requisite deposit of Rs.1 lakh has been received by the Company.

He has given necessary declaration that he satisfies the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

The Directors recommend the resolution to be adopted by the shareholders as an Ordinary resolution.

None of the Directors or Key Management Personnel, except Mr. Anthony D'Souza is deemed to be concerned or interested in the resolution.





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## Item No. 6:

Mr. Supratik Chatterjee was appointed as an Additional Director by the Board of Directors with effect from 14<sup>th</sup> August 2014 and categorized as Independent Director. Pursuant to Section 161 of the Companies Act, 2013, he holds office only up to the Annual General Meeting. A notice from a member under Section 160 of the Companies Act, 2013, signifying his intention to appoint him as Independent Director along with requisite deposit of Rs.1 lakh has been received by the Company.

He has given necessary declaration that he satisfies the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

The Directors recommend the resolution to be adopted by the shareholders as an Ordinary resolution.

None of the Directors or Key Management Personnel, except Mr. Supratik Chatterjee is deemed to be concerned or interested in the resolution.

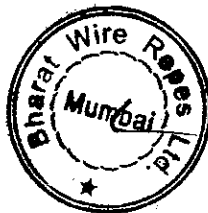
## Item No. 7:

Mr. M. L. Mittal was appointed as the Managing Director & Chief Executive Officer of the Company for a period of three years effective 14<sup>th</sup> August, 2014.

Since his appointment, the Company has made significant progress under his leadership. The Company's operations have grown multi fold during this period, and has also achieved good profitability. The Remuneration Committee of the Board, at its Meeting held on 14<sup>th</sup> August, 2014, has considered his candidature for re-appointment as MD, and keeping in view his achievements and contributions, recommended to the Board for re-appointment of Mr. Mittal as Managing Director for a further period of 3 years w.e.f. 14<sup>th</sup> August, 2014.

The resolution with regards to the re-appointment of Mr. M. L. Mittal for a period of 3 years and revision in his remuneration is hence being placed before the Members for approval. The Directors recommend the Resolution proposed vide Item no 7 of the Notice be passed and approved as a Special Resolution by the Members.

None of the Directors or Key Managerial Personnel of the Company are concerned or interested in the said Resolution except Mr. M. L. Mittal to the extent of his employment with the Company as Managing Director.







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For item No. 7 the information as required under Schedule V to the Companies Act, 2013 is as under :-

## I. GENERAL INFORMATION :

- (1) **Nature of Industry** – Manufacturing of Wire & Wire Ropes.
- (2) **Date of commencement of commercial operation** - The Company started its Manufacturing activities from 24<sup>th</sup> July 1986 onwards.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** - N.A.
- (4) **Financial Performance : (Rs. In Lakhs)**

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Turnover	8988.42	7697.32	7702.26	7340.50	8223.36
Net Profit	557.88	243.11	194.73	127.95	132.48

Amount of dividend paid -----

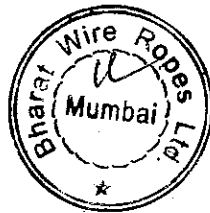
Rate of dividend declared -----

- (5) **Export performance** - Rs.1754.70 Lakhs
- (6) **Foreign investments or collaborators, if any** - NA

## II. INFORMATION ABOUT THE RE-APPOINTEE:

**Mr. Murarilal Mittal**

- (1) **Background Details** – Chartered Accountant having 34 years of experience in iron & steel Industry, Green field project implementation and sound techno commercial skills.
- (2) **Past remuneration** – 33 Lakhs
- (3) **Job profile and his suitability** - Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested in the Managing Director.
- (4) **Remuneration proposed** - as set out in the resolution for the item no. 7. The remuneration to Managing Director has the approval of the Remuneration Committee.



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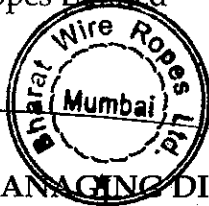
- (5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) -** Taking into consideration the size of the Company, the profile of Mr. Murarilal Mittal, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- (6) **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any -** Besides, the remuneration proposed, Mr. Murarilal Mittal does not have any other pecuniary relationship with the Company

### III. Disclosures

The Directors' Report contains details of remuneration being paid to all the Executive Directors of the Company.

By Order of the Board of Directors  
For Bharat Wire Ropes Limited

MT



(M.L. MITTAL)  
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai

Date: 2<sup>nd</sup> September, 2014



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## DIRECTORS' REPORT

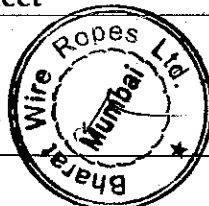
To  
The Members,

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, 2014.

### 1. FINANCIAL RESULTS:

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

	2013-2014 Rs.	2012-2013 Rs.
Revenue from Operations(Net)	822,336,033	734,050,412
Add: Other Income	612,334	9,922,228
	-----	-----
	822,948,367	743,972,639
	=====	=====
Profit before Tax and Depreciation	47,513,777	43,455,456
Less: Depreciation	23,980,392	21,798,359
	-----	-----
Profit before Tax	23,533,385	21,657,097
Less: Current tax	5,034,238	4,605,799
Less: Minimum Alternative Tax Credit Entitlement	(2,668,558)	(4,333,098)
Less: Deferred Tax	8,670,924	8,265,346
Income Tax for Earlier Years	0	324,158
	-----	-----
	13,248,315	12,794,893
Profit after Tax available for appropriation	84,509,735	98,245,600
Add: Balance brought forward from previous year	0	(26,530,757)
	-----	-----
Less: Deferred Tax for earlier years	97,758,050	84,509,734
	=====	=====
Balance carried to Balance Sheet		



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## 2. OPERATIONS:

Overall performance of the Company has been satisfactory during the year. Sales has increased by 12.02% during 2013-14. The Net Profit of the Company is 127.42 Lacs during 2013-14 and it decreased marginally due to increase in cost of raw materials and others.

## 3. 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 2014.

## 4. DIRECTORS:

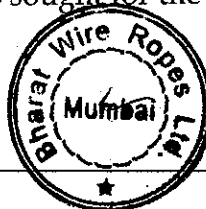
During the year under review, Mr. R. K. Jain resigned as Director of the Company on 20<sup>th</sup> February 2014. Mr. Mayank Mittal, Whole-time Director and Mr. N. Balasubramanian, Director resigned with effect from 20<sup>th</sup> May 2014. Thereafter, Dr. S. K. Mittal, Whole-time Director resigned with effect from 14<sup>th</sup> August 2014.

The Board places on record its appreciation of the valuable services rendered to the Company by the Directors, Mr. R. K. Jain, Mr. Mayank Mittal, Mr. N. Balasubramanian and Dr. S. K. Mittal during their respective tenures as Whole-time Director/Director of the Company.

Further, Mr. Mahendra Bagaria, Mr. Anthony D'Souza and Mr. Supratik Chatterjee were appointed as Additional Directors by the Board of Directors with effect from 14<sup>th</sup> August 2014 and categorized as Independent Directors. They hold office upto the date of the ensuing Annual General Meeting and having filed the required declarations with the Company under Section 149(7) that they qualified as Independent Directors, appropriate Resolutions are being proposed at the forthcoming Annual General Meeting to appoint Mr. Mahendra Bagaria, Mr. Anthony D'Souza and Mr. Supratik Chatterjee as Independent Directors not liable to retire by rotation, for a period of five years.

As per the provisions of the Companies Act, 2013, Mr. K. V. Rao will retire by rotation at the ensuing annual general meeting and, being eligible, offers himself for reappointment.

The Board further recommends the reappointment of Mr. M. L. Mittal as Managing Director for a further period of 3 years with effect 14<sup>th</sup> August, 2014. The approval of the Members is sought for the said reappointment in the ensuing Annual General Meeting.



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## 5. REMUNERATION TO EXECUTIVE DIRECTORS:

In accordance with the provisions of Schedule V the following disclosures with regard to remuneration paid to Executive Directors during the financial year ended 31<sup>st</sup> March 2014 are made-

<u>Name of Director</u>	<u>Designation</u>	<u>Remuneration paid during the financial year 2013-2014</u>
Mr. M. L. Mittal	Managing Director	33,00,000/-
Dr. S.K. Mittal	Whole-time Director	9,00,000/-
Mr. Sushil Sharda	Whole-time Director	2,332,800/-
Mr. Mayank Mittal	Whole-time Director	2,539,596/-
Mr. K. V. Rao	Whole-time Director	2188,776/-
Mr. Sumit Kumar Modak	Whole-time Director	1,392,160/-

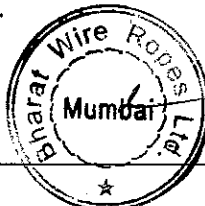
## 6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, 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, 2014.
- (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, 2014 on a going concern basis.

## 7. DEPOSITS:

The Company has not invited nor accepted any Deposits from the Public during the year under review.



Factory: Plot No-1&4, Atgaon Industrial Complex, Mumbai-Nasik Highway, Atgaon (East), Taluka-Shahpur,  
Dist.-Thane- 421601 Tel Nos: +91 2527 240123/240124/240197 Fax: +91 2527 240196

CIN: U27200MH1986PLC040468



# BHARAT WIRE ROPES LTD

Regd. Office: A-701, Trade World, Kamla City, Lower Parel (West), Mumbai 400 013 (India)  
Tel Nos: +91 22 66824600/01/02/03/04 Fax No: +91 22 24955477 Email: [info@bharatwireropes.com](mailto:info@bharatwireropes.com)  
Website: [www.bharatwireropes.com](http://www.bharatwireropes.com)

## 8. 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.

## 9. 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.

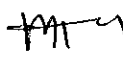
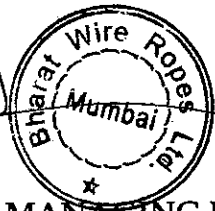
## 10. AUDITORS :

M/s Sureka Associates, Chartered Accountants, Auditors of the Company hold office till the conclusion of the forthcoming Annual General Meeting (AGM) and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s Sureka Associates, Chartered Accountants, as the Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 34th AGM of the Company to be held in the year 2019, subject to ratification of their appointment at every AGM.

## 11. 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 & MANAGING DIRECTOR

Registered Office :

701, A Wing, Trade World, Kamla City,  
Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai 400 013

Dated : 2<sup>nd</sup> September, 2014

## INDEPENDENT AUDITOR'S REPORT

To the Members of Bharat Wire Ropes Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statement of **Bharat Wire Ropes Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion

4. 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 Company as at March 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:
6. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



**Suresh Sureka**  
Partner

Membership No. 34132  
Place : Mumbai  
Date : 4 AUG 2014





45 C, MANDHANA MANOR, MOGAL LANE,  
MATUNGA ROAD (W), MUMBAI 400 016.  
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608  
EMAIL: surekas@vsnl.com

**ANNEXURE TO THE AUDITORS' REPORT**

**Statement referred to in paragraph (5) of our report of even date to the members of Bharat Wire Ropes Limited on the accounts for the year ended 31<sup>st</sup> March, 2014**

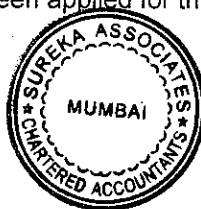
- 1.(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the Management in a phased periodical manner at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and 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 plant has been conducted by the management at reasonable intervals during the year. In our opinion, having regard 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 not taken any secured / unsecured loans from 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 are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with 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 public during the year within 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, there are no undisputed arrears of statutory dues which has remained outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became 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 / Sales 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 (Appeals)
Income Tax Act, 1961	27.57	AY 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	156.80	AY 2011-12	Commissioner of Income Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	309.75	FY 2005-06 to 2009-10	Dy. Commissioner of Sales Tax, LTU, Thane

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 explanation 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. According to the information and explanations given to us, the Company has not made any preferential allotment of equity shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of 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 have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

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



**Suresh Sureka**  
Partner

Membership No. 34132  
Place : Mumbai  
Date : 4 AUG 2014



**BHARAT WIRE ROPES LIMITED**

**Corporate Address :-**

A-701, Trade World  
Kamala City, Senapati Bapat Marg,  
Lower Parel (W), Mumbai 400 013

**PAN : AABCB2180N**

**Asst.Year 2014-2015 (F.Y.31.03.2014)**

**Status Code : Domestic Company**

**STATEMENT OF TOTAL INCOME**

	Rs.	Rs.
<b>I) INCOME FROM HOUSE PROPERTY:</b>		
Rent Received	3,300,000	
Less: Municipal Taxes Paid	594,496	
Net Assets Value	2,705,504	
Less: Deduction Under section 24 30% of N.A.V.	811,651	<b>1,893,853</b>
<b>II) PROFIT &amp; GAIN FROM BUSINESS:</b>		
Net Profit/(Loss) as per Profit & Loss Account (Before Tax)		24,284,919
<b><u>Add : Items Disallowed(considered separately)</u></b>		
Deprecation as per Companies Act	23,980,392	
Municipal Tax Paid	594,496	
Provision for Bonus	2,958,420	
Provision for Gratuity made during the year	834,839	
Provision for Leave encashment made during the year	366,324	
Book Gain on sale of Plant and Machinery	(15,875)	
Interest on Buyer's Credit	4235	28,722,831
<b><u>Less: Items Allowed(considered separately)</u></b>		
Deprecation as Per Income Tax Act	32,067,549	
Bonus Paid	1,931,101	
Gratuity Paid	607,642	
Net gain/loss on Sale of Investments (Bonds)	411,760	
Leave Encashment Paid	1,646,410	
Rental Income	3,300,000	39,964,462
<b>TAXABLE BUSINESS INCOME</b>		<b>13,043,288</b>
<b><u>Less: Brought Forward Unabsorbed Depreciation U/s 32(A.Y. 13-14)</u></b>		
		8,658,102
<b>Net Taxable Business Income</b>		<b>4,385,186</b>
<b>III) CAPITAL GAIN (LOSS)</b>		
Short Term Capital Gain on Sales of Bonds		411,760
<b>Total Income Rounded Off u/s 288A</b>		<b>6,690,799</b>
<b>IV) TAX PAYBLE ON TOTAL INCOME</b>		
Tax Payable on normal income @ 30%	2,007,240	
Add: Surcharge @ 5%	-	
Add : Cess @ 3%	60,217	2,067,457
<b>Total Tax payable (A)</b>		2,067,457
<b>U/s 115JB (As per Form 29B enclosed) (B)</b>		4,858,866
<b>Tax payable higher of above (A OR B)</b>		4,858,866
		<b>4,858,866</b>
	<b>Total tax Payable</b>	<b>4,858,866</b>
<b>Less :</b>	<b>TDS AY 2014 -15</b>	612,356
		<b>4,246,510</b>
<b>Less:</b>	<b>Advance Tax</b>	3,000,000
		<b>1,246,510</b>
Add:Interest under section 234B		50,919
Add:Interest under section 234C		124,449
<b>Tax Payable / (Refundable)</b>		<b>1,421,878</b>

**BHARAT WIRE ROPES LIMITED**

<b>Less :</b>	<b>Self Assessment ( 31.07.14)</b>	1,269,658	
	<b>Self Assessment ( 18.09.14)</b>	152,220	1,421,878
<b>Net Tax Payable</b>			(0)

**MAT credit balance available to be Carried Forward**

Particulars	Opening Bal	For the year	Closing Balance
AY 10-11	8,661,651	-	8,661,651
AY 12-13	1,912,264	-	1,912,264
AY 13-14	4,333,098	-	4,333,098
AY 14-15		2,791,409	2,791,409
<b>Total</b>	<b>14,907,013</b>	<b>2,791,409</b>	<b>17,698,422</b>

**Unabsorbed Depreciation to be Carried Forward**

Particulars	Opening Bal	For the year	Closing Balance
AY 13-14	8,658,102	8,658,102	-
<b>Total</b>	<b>8,658,102</b>	<b>8,658,102</b>	<b>-</b>

**Interest u/s 234C**

Due date for payment	%	Amount Payable	Amount paid	Difference	Interest Payment
15th June 13	15	636,976	-	636,976	19,109
15th Sept 13	45	1,910,929	1,000,000	910,929	27,328
15th Dec 13	75	3,184,882	1,000,000	2,184,882	65,546
15th Mar 14	100	4,246,510	3,000,000	1,246,510	12,465
<b>Total</b>					<b>124,449</b>

**BHARAT WIRE ROPES LIMITED**

Balance Sheet as at 31 March, 2014

(Amt. in Rs.)

	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2.1.1	293,966,930	293,966,930
	(b) Reserves and surplus	2.2	412,103,547	398,855,232
			<b>706,070,477</b>	<b>692,822,162</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	2.3.1	200,979,283	263,298,361
	(b) Deferred tax liabilities (net)	2.4	49,063,011	40,392,087
	(c) Other Long term liabilities	2.5	1,650,000	1,650,000
	(d) Long-term provisions	2.6	4,425,632	5,027,425
			<b>256,117,926</b>	<b>310,367,873</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	2.7	192,576,674	214,073,839
	(b) Trade payables	2.8	180,895,767	175,755,159
	(c) Other current liabilities	2.9	102,964,110	91,740,078
	(d) Short-term provisions	2.10	765,209	308,880
			<b>477,201,760</b>	<b>481,877,955</b>
	<b>TOTAL</b>		<b>1,439,390,163</b>	<b>1,485,067,991</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	2.11	672,451,383	678,695,908
	(ii) Intangible assets	2.11	19,951,368	19,951,368
	(iii) Capital work-in-progress	2.12	78,598,662	49,290,726
	(b) Long-term loans and advances	2.13	6,445,435	10,071,544
			<b>777,446,848</b>	<b>758,009,546</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current Investments	2.14	-	8,360,000
	(b) Inventories	2.15	370,484,635	349,355,208
	(c) Trade receivables	2.16	223,286,154	205,645,724
	(d) Cash and Bank Balances	2.17	18,590,275	84,013,340
	(e) Short-term loans and advances	2.18	8,796,691	16,046,979
	(f) Other current assets	2.19	40,785,559	63,637,194
			<b>661,943,315</b>	<b>727,058,445</b>
	<b>TOTAL</b>		<b>1,439,390,163</b>	<b>1,485,067,991</b>

Notes forming part of financial statements

1-2

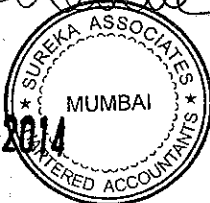
As per our report of even date attached

For Sureka Associates  
Chartered Accountants  
Firm Registration No:110640W

For and on behalf of the Board of Directors

Suresh Sureka  
Partner  
Membership No:34132

Date : 14 AUG 2014  
Place : Mumbai



Director



Director



**BHARAT WIRE ROPES LIMITED**

Statement of Profit & Loss for the year ended 31 March, 2014

(Amt. in Rs.)

	Particulars	Note No.	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	<b>Revenue</b>			
1	Revenue from operations (gross)	2.20	881,771,470	798,780,067
	Less: Excise duty		59,435,437	64,729,655
	Revenue from operations (net)		822,336,033	734,050,412
2	Other income	2.21	612,334	9,922,228
3	<b>Total revenue (1+2)</b>		<b>822,948,367</b>	<b>743,972,639</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	2.22	441,860,234	402,529,021
	(b) Purchases of traded goods	2.23	131,361,761	145,467,399
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.24	266,573	(54,939,497)
	(d) Employee benefits expense	2.25	83,224,991	75,529,145
	(e) Finance costs (net)	2.26	41,447,997	48,968,718
	(f) Depreciation and amortisation expense	2.11	23,980,392	21,798,359
	(g) Other expenses	2.27	76,521,500	82,962,396
	<b>Total expenses</b>		<b>798,663,448</b>	<b>722,315,542</b>
5	<b>Profit before Tax (3 - 4)</b>		<b>24,284,919</b>	<b>21,657,097</b>
6	<b>Tax expense:</b>			
	(a) Current tax		5,034,238	4,605,799
	(b) (Less): MAT credit entitlement		(2,668,558)	(4,333,098)
	(c) Relating to earlier years		-	324,158
	(d) Deferred tax		8,670,924	8,265,346
			<b>11,036,604</b>	<b>8,862,205</b>
7	<b>Profit for the year</b>		<b>13,248,315</b>	<b>12,794,893</b>
8	<b>Earnings per Equity Share</b>			
	<b>Face Value per Equity Share Rs 10</b>			
	Basic & Diluted	2.28	<b>0.45</b>	<b>0.44</b>

Notes forming part of financial statements

1-2

As per our report of even date attached

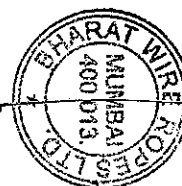
For Sureka Associates  
Chartered Accountants  
Firm Registration No:110640W

Suresh Sureka  
Partner

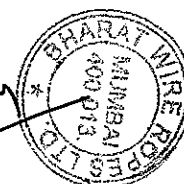
Membership No:34132

For and on behalf of the Board of Directors

Director



Director



Date : 14 AUG 2014  
Place : Mumbai

**BHARAT WIRE ROPES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014**

(Amt. in Rs.)

Particular	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>A. Cash flow from/(used in) operating activities:</b>		
Profit before tax and extraordinary items	24,284,919	21,657,097
a) Adjustment for:		
Depreciation	23,980,392	21,798,359
Interest and Finance charges	41,447,997	48,968,718
Loss on sale of Asset	(15,875)	467,995
b) Changes in current assets and liabilities:		
Inventories	(21,129,427)	(61,568,506)
Trade and other receivables	(17,640,430)	14,668,263
Loans & advances	10,876,397	15,550,171
Other Current Assets	22,851,635	1,372,052
Provisions	(145,464)	520,392
Other Current Liabilities	11,224,032	16,384,627
Trade payable and others	5,140,609	79,949,197
c) Income tax paid	(2,365,680)	(596,859)
<b>Net cash generated from/(used in) operations (A)</b>	<b>98,509,104</b>	<b>159,171,507</b>
<b>B. Cash flow from/(used in) investing activities:</b>		
Purchase of fixed assets (including CWIP)	(17,875,547)	(94,856,332)
CWIP	(29,307,936)	20,957,143
Sale of fixed assets	155,554	106,666
Investments in Bonds	8,360,000	(8,360,000)
<b>Net Cash generated from/(used in) investing activities (B)</b>	<b>(38,667,929)</b>	<b>(82,152,523)</b>
<b>C. Cash flow from/(used in) financing activities:</b>		
Proceeds from issue of equity shares	-	-
Security Premium Recd on Issue of Share	-	-
Proceeds/(Repayment) of long term & other borrowings	(83,816,243)	(69,810,371)
Interest and finance charges paid	(41,447,997)	(48,968,718)
<b>Net Cash generated from/(used in) financing activities (C)</b>	<b>(125,264,240)</b>	<b>(118,779,089)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(65,423,065)</b>	<b>(41,760,106)</b>
Add: Opening balance of cash & cash equivalents	84,013,340	125,773,447
Closing balance of cash & cash equivalents	<b>18,590,275</b>	<b>84,013,340</b>

Notes forming part of financial statements 1-2

Notes:

1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.

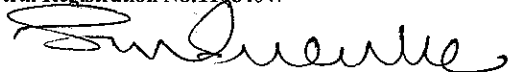
2) Previous year figures have been regrouped/ recast wherever necessary.

As per our report of even date attached

For Sureka Associates

Chartered Accountants

Firm Registration No:110640W



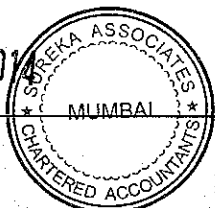
Suresh Sureka

Partner

Membership No:34132

Date : 14 AUG 2014

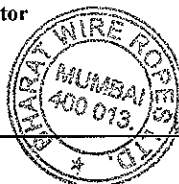
Place : Mumbai



For and on behalf of the Board of Directors

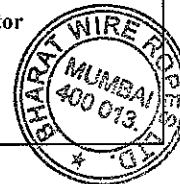


Director





Director





**Bharat Wire Ropes Limited**

**Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014**

**1 Significant Accounting Policies :**

**1.1 Basis of Accounting**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principle in India ( Indian GAAP). The Company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provision of the Companies act, 1956 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial Statements have been prepared on an accrual basis and under the historical cost convention.

**1.2 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.

**1.3 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 if 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, and expenditure incurred during construction period:

**1.4 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 statement of profit and loss.

**1.5 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.
- c) Fixed assets costing individually up to Rs. 5,000 are depreciated fully in the year of purchase.



**1.6 Investments**

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.

**1.7 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) and Duty Drawback 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.

**1.8 Inventory**

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

**1.9 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.

**1.10 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) Exchange differences arising on the settlement or re-statement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or expense in the year in which they arise.
- 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.

**1.11 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.



## Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

## 1.12 Employee Benefits

- a) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post employment and other long-term benefits are recognized as an expense in the statement of Profit and Loss of the year in which the employees has rendered services. The Expense is recognized at the present value of the amount payable determined using actuarial valuation technique. Actual gain and losses in respect of post employment and other long term benefits are recognized in the statement of profit and loss.
- c) Payments to defined contribution retirement benefits schemes are charged as expenses as and when they fall due.

## 1.13 Research &amp; 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 Statement of Profit and Loss.

## 1.14 Provisions &amp; Contingent Liabilities

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.

## 1.15 Earning Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings per Share. Basic earnings per equity share have been computed by dividing net profit after tax (after adjusting for dividend on cumulative preference shares) attributable to equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity and equivalent dilutive equity shares outstanding during the year, except where results would be anti-dilutive.

## 2 Notes To Accounts

## 2.1 Share capital

2.1.1	Particulars	As at 31st March, 2014		As at 31st March, 2013	
		Number of shares	Amount (Rs)	Number of shares	Amount (Rs)
	<b>(a) Authorised</b>				
	Equity shares of Rs.10 each	30,000,000	300,000,000	30,000,000	300,000,000
		<b>30,000,000</b>	<b>300,000,000</b>	<b>30,000,000</b>	<b>300,000,000</b>
	<b>(b) Issued, Subscribed and fully paid up</b>				
	Equity shares of Rs.10 each	29,396,693	293,966,930	29,396,693	293,966,930
		<b>29,396,693</b>	<b>293,966,930</b>	<b>29,396,693</b>	<b>293,966,930</b>



## Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

## 2.1.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No of shares	Amount(Rs)	No of shares	Amount(Rs)
Number of equity shares at the beginning of the year	29,396,693	293,966,930	29,396,693	293,966,930
Add: Equity shares issued during the year	-	-	-	-
Number of equity shares at the end of the year	29,396,693	293,966,930	29,396,693	293,966,930

## 2.1.3 Details of Shareholder holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gaji Mercantile Pvt. Ltd.	25,675,484	87.34%	25,675,484	87.34%
Mr .Motilal Gopilal Oswal.	1,837,293	6.25%	1,837,293	6.25%
<b>Total</b>	<b>27,512,777</b>	<b>93.59%</b>	<b>27,512,777</b>	<b>93.59%</b>

## 2.1.4 Shares held by holding/ultimate holding company and /or their subsidiaries

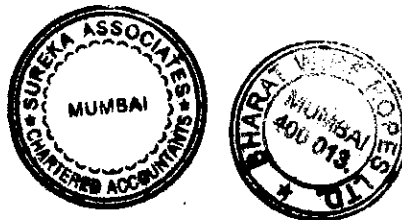
Out of Equity Shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:-

Particulars	As at 31st March, 2014		As at 31 March, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Holding company</b>				
Gaji Mercantile Pvt. Ltd.	25,675,484	87.34%	25,675,484	87.34%

## 2.1.5 Terms/right attached to Equity shares

The company has only one class of equity shares having a face value of `10 per share. Each holder of equity share is entitled to one vote per share. The dividend, if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March, 2014, Rs. Nil per share (31 March, 2013: Rs.NIL.) is recognised as dividend distributions to equity shareholders.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by shareholders.



## Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

### 2.2 Reserves and Surplus

Particulars	As at 31st March, 2014 Amount (Rs)	As at 31st March, 2013 Amount (Rs)
<b>Capital Reserve</b>		
As per Last Balance Sheet	4,799,688	4,799,688
Add : Current year transfer	-	-
Closing Balance	4,799,688	4,799,688
<b>Securities Premium Account</b>		
As per Last Balance Sheet	309,545,809	309,545,809
Add : Securities premium received on issue of equity shares during the year.	-	-
Closing balance	309,545,809	309,545,809
<b>Surplus</b>		
<b>Balance in Statement of Profit &amp; Loss</b>		
As per Last Balance Sheet	84,509,735	98,245,600
Add: Net profit after tax for the current period	13,248,315	12,794,893
Less: Deferred Tax for earlier years	-	(26,530,757)
Closing balance	97,758,050	84,509,735
<b>Total Reserves and Surplus</b>	<b>412,103,547</b>	<b>398,855,232</b>

### 2.3 Long-term borrowings

Particulars	As at 31st March, 2014 Amount (Rs)	As at 31st March, 2013 Amount (Rs)
<b>Secured (See Note 2.3.2 given below)</b>		
(A) Term loans From Banks		
Indian rupee loan	16,666,576	15,961,681
Foreign currency loan	-	62,829,540
	16,666,576	78,791,221
<b>Unsecured (See Note 2.3.3 given below)</b>		
(B) Deferred payment liabilities		
Sales Tax Loan	184,312,707	184,507,140
<b>Total</b>	<b>200,979,283</b>	<b>263,298,361</b>

2.3.2 Term Loan is 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. It is also secured by the personal guarantee of one of the Director. The loan is repayable in 12 quarterly installments of Rs. 1,67,00,000/- crore each commenced from Sep 2012.



**Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014**

2.3.3 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 is based upon the sales tax returns. The above amount is repayable in five equal annual instalments from the Financial Year 2014-15 to 2026-27.

**2.4 Deferred Tax:-**

The major components of deferred tax assets and deferred tax liabilities are as under

Particulars	April 2013 to March 2014		April 2012 to March 2013	
	Deferred Asset (Rs)	Deferred Liabilities (Rs)	Deferred Asset (Rs)	Deferred Liabilities (Rs)
Provision for Gratuity	270,905	161,012	632,249	207,228
Provision for Leave encashment	118,872	457,908	82,083	55,216
Provision for Bonus	960,007	608,774	602,597	567,201
Difference between book depreciation & Income Tax Depreciation (including earlier years)	-	46,346,953	-	43,717,519
Unabsorbed Depreciation		2,838,148	2,838,148	
Total	1,349,784	50,412,795	4,155,077	44,547,164
Net Deferred Tax (Liabilities)/ Asset	-	(49,063,011)		(40,392,087)

**2.5 Other Long term liabilities**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Others		
Security deposits received	1,650,000	1,650,000
<b>Total</b>	<b>1,650,000</b>	<b>1,650,000</b>

**2.6 Long term Provisions**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Provision for employee benefits		
Gratuity	3,805,549	3,692,936
Leave encashment.	620,083	1,334,489
<b>Total</b>	<b>4,425,632</b>	<b>5,027,425</b>

**2.7 Short term borrowings**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Secured Loan from Banks(See Note 2.7.1 given below)		
Cash Credit From Banks	192,576,674	214,073,839
<b>Total</b>	<b>192,576,674</b>	<b>214,073,839</b>



## Bharat Wire Ropes Limited

### Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

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

#### 2.8 Trade Payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Trade Payables:		
- Dues to micro and small enterprises ( See Note no 2.28.8)	-	-
- Dues to others	180,895,767	175,755,159
<b>Total</b>	<b>180,895,767</b>	<b>175,755,159</b>

#### 2.9 Other current liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Current maturities of Long Term Debt.	67,917,940	66,800,000
Advances from customers.	23,026,855	6,382,129
Statutory Amount Payables.	2,398,513	4,307,566
Outstanding Expenses.	9,620,801	14,250,383
<b>Total</b>	<b>102,964,110</b>	<b>91,740,078</b>

#### 2.10 Short Term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Provision for Employee Benefits		
Gratuity	248,873	-
Leave Encashment	88,961	-
Provision for Excise duty on closing stock.	427,375	308,880
<b>Total</b>	<b>765,209</b>	<b>308,880</b>



## 2.12 Capital work-in-progress

Particulars	As at 31st March, 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>For Chalisgaon Project</b>		
<b>Premium for lease hold land.</b>		
Opening Balance	31,101,207	-
Expenses incurred during the year	-	31,230,000
Lease Premium amortised during the year	328,737	128,793
Balance in Lease Hold Premium (A)	30,772,470	31,101,207
Plant & Machinery (Reusable Plant) (B)	36,000	-
<b>Other Expenses</b>		
Opening Balance	18,189,519	-
Expenses incurred during the year		
Lease Premium Amortised	328,737	128,793.00
Salary & Other Administrative Expenses	29,271,936	18,060,726
Total of Other Expenses (C)	47,790,192	18,189,519
<b>Closing Balance (A+B+C)</b>	<b>78,598,662</b>	<b>49,290,726</b>

## 2.13 Long-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
<b>Unsecured, considered good</b>		
Capital Advances	2,000,000	4,900,000
Security deposits	4,445,435	5,171,544
<b>Total</b>	<b>6,445,435</b>	<b>10,071,544</b>

## 2.14 Current Investments

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
<b>Investments in Bonds( unquoted fully paid up (valued at cost))</b>		
Nil (8), 9.84% AirIndia Bond ( Face Value Rs 10 Lacs each)	-	8,360,000
<b>Total</b>	<b>-</b>	<b>8,360,000</b>





**Bharat Wire Ropes Limited**

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

**2.15 Inventories (valued at lower of cost and net realisable value)**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Raw Materials	132,764,044	124,583,883
Work in Progress	210,305,065	211,386,814
Finished Goods	3,741,581	2,807,910
Stores & Spares	11,557,695	8,745,939
Packing Materials	3,538,394	1,830,662
Goods In Transit	8,577,856	-
<b>Total</b>	<b>370,484,635</b>	<b>349,355,208</b>

**2.16 Trade receivables**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	40,144,602	52,243,956
Others (Within Six Months from the date they were due for payments)	183,141,553	153,401,768
<b>Total</b>	<b>223,286,154</b>	<b>205,645,724</b>

**2.17 Cash and Bank Balances**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
<b>Cash and Cash equivalents</b>		
Balances with Bank		
(i) In current accounts	1,409,977	65,734,526
Cash on hand	757,426	100,987
<b>Other Bank Balances</b>		
Deposit with original maturity for more than 12 months	25,000	25,000
Margin Money Deposit( Secured against Bank Guarantees/Letter of Credit)	16,397,873	18,152,828
<b>Total</b>	<b>18,590,276</b>	<b>84,013,341</b>



**Bharat Wire Ropes Limited**

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

**2.18 Short-term loans and advances**

Particulars	As at 31st	As at 31st March,
	March, 2014	2013
	Amount (Rs)	Amount (Rs)
Unsecured, considered good		
Advances to Suppliers	7,442,240	9,317,476
Other Advances	1,354,451	6,729,503
<b>Total</b>	<b>8,796,691</b>	<b>16,046,979</b>

**2.19 Other Current Assets**

Particulars	As at 31st	As at 31st March,
	March, 2014	2013
	Amount (Rs)	Amount (Rs)
Prepaid Expenses	1,145,569	1,165,034
Balance with government authorities	37,351,806	57,281,743
Interest accrued	1,164,750	1,600,115
Deposit	1,123,435	3,590,302
<b>Total</b>	<b>40,785,559</b>	<b>63,637,194</b>



**Bharat Wire Ropes Limited**

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

**2.11 Tangible & Intangible Assets**

Description	Gross block				Depreciation/amortisation			Net block	
	As at 1 April 2013	Additions	Deductions	As at 31 March 2014	As at 1 April 2013	For the year	Deductions	As at 31 March 2014	As at 31 March 2013
<b>A Tangible assets</b>									
Land	326,162,974	-	-	326,162,974	-	-	-	326,162,974	326,162,974
Factory Buildings	84,409,142	-	-	84,409,142	25,691,852	2,814,151	-	28,506,003	58,717,290
Plant and machineries	349,235,972	16,208,341	-	365,444,313	95,235,890	16,967,243	-	112,203,133	253,241,180
Furniture and fixtures	17,305,522	182,550	-	17,488,072	1,726,352	1,123,251	-	2,849,603	15,579,169
Motor vehicles	9,002,116	821,790	200,000	9,623,906	2,585,445	1,070,883	60,320	3,596,008	6,416,671
Office equipments	6,043,036	263,408	-	6,306,444	2,027,168	340,252	-	2,367,420	3,939,023
Office Premises	12,872,391	-	-	12,872,391	2,794,553	209,820	-	3,004,373	10,077,838
Computers	8,631,440	348,703	-	8,980,143	4,905,424	1,453,587	-	6,359,011	3,726,016
Motor Bike	-	50,755	-	50,755	-	1,205	-	1,205	49,550
<b>Sub total - A</b>	<b>813,662,592</b>	<b>17,875,547</b>	<b>200,000</b>	<b>831,338,139</b>	<b>134,966,684</b>	<b>23,980,392</b>	<b>60,320</b>	<b>158,886,756</b>	<b>678,695,908</b>
<b>B Intangible asset</b>									
Goodwill	19,951,368	-	-	19,951,368	-	-	-	19,951,368	19,951,368
<b>Sub total - B</b>	<b>19,951,368</b>	<b>-</b>	<b>-</b>	<b>19,951,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,951,368</b>	<b>19,951,368</b>
<b>Total</b>	<b>833,613,960</b>	<b>17,875,547</b>	<b>200,000</b>	<b>851,289,507</b>	<b>134,966,684</b>	<b>23,980,392</b>	<b>60,320</b>	<b>158,886,756</b>	<b>698,647,276</b>
Previous year	739,538,312	94,856,332	780,686	833,613,958	113,374,349	21,798,359	206,024	134,966,684	626,163,964



## Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

## 2.20 Revenue from Operations

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	742,637,643	645,961,841
Traded goods	131,776,666	147,619,693
<b>Other operating revenue</b>		
Scrap Sales	4,152,113	1,859,716
Export Benefits	3,205,049	3,338,817
<b>Revenue from operations (gross)</b>	<b>881,771,470</b>	<b>798,780,067</b>
Less: Excise duty	59,435,437	64,729,655
<b>Revenue from operations (net)</b>	<b>822,336,033</b>	<b>734,050,412</b>

## Productwise summary of Sales

Product	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Wire Ropes, Stranded Wire & Slings Items	686,413,674	645,222,509
Traded Goods - Steel Related Products	131,776,666	147,619,694
Carbon Black Sales	119,265	-
Fuel Oil Sales	661,380	-
Iron Scrap Sales	160,000	-
<b>Total</b>	<b>819,130,985</b>	<b>792,842,203</b>

## 2.21 Other Income

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Interest Income	200,574	6,411,391
Net gain on Sale of Investments	411,760	3,510,837
<b>Total</b>	<b>612,334</b>	<b>9,922,228</b>



## 2.22 Cost of material consumed

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Inventory at the beginning of the year	135,160,484	127,659,303
Add: Purchases	463,137,739	410,030,202
Less : Inventory at the end of the year	156,437,989	135,160,484
<b>Total</b>	<b>441,860,234</b>	<b>402,529,021</b>

## Productwise summary of Purchases

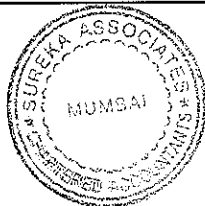
Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Wire Rods, Wire & Wire related items	388,776,624	348,606,696
Consumables	22,519,129	15,966,929
Packing Material	22,975,815	18,275,529
Others	28,866,171	27,181,048
<b>Total</b>	<b>463,137,739</b>	<b>410,030,202</b>

## 2.23 Purchases of Traded Goods

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Steel related products	131,361,761	145,467,399
<b>Total</b>	<b>131,361,761</b>	<b>145,467,399</b>

## 2.24 Changes in inventory of finished goods, work-in-progress

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
<b>Inventories at the beginning of the year</b>		
Finished goods	2,807,910	10,736,490
Work-in-progress	211,386,814	149,390,909
	<b>214,194,724</b>	<b>160,127,399</b>
<b>Inventories at the end of the year</b>		
Finished goods	3,741,581	2,807,910
Work-in-progress	210,305,065	211,386,814
	<b>214,046,646</b>	<b>214,194,724</b>
Less : Increase/(Decrease ) In Excise Duty on Finished Goods	118,495	(872,172)
	<b>266,573</b>	<b>(54,939,497)</b>



## Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

## 2.25 Employee Benefit Expenses

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Salaries, wages, allowance and other benefits	78,953,634	71,456,248
Contribution to provident fund and other funds	2,780,154	2,415,598
Staff Welfare Expenses	1,491,203	1,657,299
<b>Total</b>	<b>83,224,991</b>	<b>75,529,145</b>

## 2.26 Finance Cost

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Interest	31,620,936	35,840,770
Bank Charges	3,090,427	3,856,115
Net gain / (loss) on Foreign currency transaction and translation.	6,736,634	9,271,833
<b>Total</b>	<b>41,447,997</b>	<b>48,968,718</b>

## 2.27 Other Expenses

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Power & Electricity Charges	15,757,439	14,619,073
Freight Forwarding Charges	32,713,464	33,335,844
Rent Rates & Taxes (Net)	1,872,108	3,792,289
Repair & Maintenance	5,708,269	5,266,299
Commission on Sales	5,290,284	3,183,913
Travelling Expense	4,711,130	4,852,653
Communication Expenses	1,348,747	1,118,514
Printing & Stationery	690,224	1,168,851
Professional Fees & Consultancy Charges	1,892,429	3,932,523
Audit Fees	50,000	50,000
Office & Factory General Expenses	850,137	952,431
Security Charges	1,593,637	2,068,737
Inspection & Testing Charges	1,246,314	1,077,245
Insurance	1,088,731	923,279
Bad Debts	-	2,239,426
(Profit)/Loss On Sale of Fixed Assets	(15,875)	467,995
Quality Claim (Sales)	300,953	703,884
Miscellaneous Expenses	1,423,510	3,209,440
<b>Total</b>	<b>76,521,500</b>	<b>82,962,396</b>



Other Significant Notes

2.28 Basic & Diluted Earnings Per Share

2.28.1 For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
<b>Basic Earnings Per Share</b>		
Net Profit after tax (A)	13,248,315	12,794,893
Weighted average number of equity shares (Nos.) (B)	29,396,693	29,396,693
Basic Earnings Per Share of face value of Rs.10/- each (A)/(B)	0.45	0.44
<b>Diluted Earnings Per Share</b>		
Amount available for calculation of Diluted EPS (A)	13,248,315	12,794,893
Weighted average number of equity shares (Nos.)	29,396,693	29,396,693
Number of Shares used for calculating Diluted EPS (B)	29,396,693	29,396,693
Diluted Earnings Per Share of face value of Rs.10/- each (A)/(B)	0.45	0.44

2.28.2 As required by the Accounting Standard (AS) 28 'Impairment of Assets', the Company has reviewed potential generation of economic benefits from fixed assets and accordingly no provision for impairment loss is required to be made.

2.28.3 Contingent Liabilities not provided for

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Performance Guarantees/Bid Bond given by banks to company's customers / government authorities etc.	42,123,000	43,129,526
Disputed Income Tax	19,764,328	4,084,208
Disputed Instalment of Deferred Sales Tax Loan under Package Scheme of Incentive 1993	30,975,253	-
<b>Total</b>	<b>92,862,581</b>	<b>47,213,734</b>

2.28.4 Capital and other commitments not provided for

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Contract remaining to be executed on capital accounts	6,248,000	-
<b>Total</b>	<b>6,248,000</b>	<b>-</b>



## Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2014

## 2.28.5 Disclosures pursuant to adoption of Accounting Standard 15 (Revised 2005) Employee Benefits

The Employees gratuity fund scheme managed by Life Insurance Corporation is a defined benefit plan. The present value of obligation is based on actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity.

**Defined benefit plan**

Details of defined benefit plan of Gratuity (Funded) and Leave Encashment (Non-Funded) are as follows

**Actuarial assumptions****Economic assumptions**

Major assumptions	2014(%p.a.)	2013(%p.a.)
Discount rate (p.a.)	9.00	8.00
Salary escalation rate	5.00	5

**Demographic assumptions**

Major assumptions	
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate is used for purpose of Valuation.
Retirement age	60 years for all staff and workers
Attrition rate	2% up to age 44 and 1% thereafter

**Expenses recognized in the statement of profit and**

Particulars	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2014	2013	2014	2013
Current service cost	648,305	587,375	166,405	-
Interest cost	-	215,817	-	-
Expected return on plan assets	-	(31,763)	-	-
Net actuarial (gain)/loss recognized	2,992,142	606,003	542,639	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>3,640,447</b>	<b>1,377,432</b>	<b>709,044</b>	<b>-</b>

**Present value of defined benefit obligation and the**

Particulars	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2014	2013	2014	2013
Present value of obligation as at 31 March	4,054,422	4,106,911.00	709,044	-
Fair value of plan assets as at 31 March	413,975	413,975.00	-	-
<b>Liability recognized in the balance sheet</b>	<b>3,640,447</b>	<b>3,692,936.00</b>	<b>709,044</b>	<b>-</b>





## Change in the present value of obligation

Particulars	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2014	2013	2014	2013
Present value of obligation as at 1 April	-	2,697,716	-	-
Current service cost	648,305	587,375	166,405	-
Interest cost	-	215,817	-	-
Benefits paid	(473,353)	-	-	-
Actuarial (gain)/loss on obligations	3,879,470	606,003	542,639	-
<b>Present value of obligation as at 31 March</b>	<b>4,054,422</b>	<b>4,106,911</b>	<b>709,044</b>	<b>-</b>

## Change in fair value of plan assets

Particulars	Gratuity (Funded)	Gratuity (Funded)
	2014	2013
Fair value of plan assets as at 1 April	-	314,551
Expected return on plan assets	-	31,763
Actuarial gain/(loss) on plan assets	887,328	-
Contributions	-	67,661
Benefits paid	(473,353)	-
<b>Fair value of plan assets as at 31 March</b>	<b>413,975</b>	<b>413,975</b>

Note - Leave Encashment provision for the year 12-13 is

**2.28.6 Disclosure as required by Accounting Standard AS-18 'Related Party Disclosure' in respect of transactions for the year.**

**A Key Management Personnel :**

Dr. Sharwan Kumar Mittal  
 Mr. M L Mittal  
 Mr. Mayank Mittal  
 Mr. Sushil Radheyshyam Sharda  
 Mr. Raj Kumar Jain  
 Mr. N Balasubramanium  
 Mr. Sumit Kumar Modak  
 Mr. Venkateshwara Rao Kandikuppa

**B List of related parties who can exercise control**

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



## C Transactions with related parties during the year are as follows:

Sr No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
		Amount (Rs)	Amount (Rs)
1	<b>Receipt of Unsecured Loan</b>		
	Gaji Mercantile Pvt. Ltd.	-	500,000
2	<b>Receipts of Inter Corporate Deposits</b>		
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	-	14,900,000
3	<b>Repayments of Inter Corporate Deposits along with Interest</b>		
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	-	49,071,803
4	<b>Repayment of Share Application Money</b>		
	Gaji Mercantile Pvt. Ltd.	-	26,000,000
5	<b>Interest Paid/Provided on Intercorporate Deposits</b>		
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	-	3,671,803
6	<b>Salaries and other allowance paid to:</b>		
	Dr. Sharwan Kumar Mittal	900,000	900,000
	Mr M L Mittal	3,300,000	3,300,000
	Mr Mayank Mittal	2,539,596	2,539,596
	Mr. Sushil Radheyshyam Sharda	2,332,800	2,332,800
	Mr. Sumit Kumar Modak	1,392,160	1,810,822
	Venkateshwara Rao Kandikuppa	2,188,776	2,023,478

2.28.7.1 The Company leases the office premises under operating lease agreements that are renewable on periodic basis at the option of both lessor and lessee. The initial tenure of lease was for five years. The Rent free period was from 01.04.12 till 31.05.12.

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Lease Rental charged for the year	7,024,080	6,328,000
Future Lease Rental obligations payable		
Not later than one year	6,454,560	7,593,600
Later than one year but not later than five years	18,730,880	26,957,280
Later than five years	Nil	Nil

2.28.7.2 The Company has paid Rs 3.12 Crores as Premium for acquiring Leasehold land at Chalisgoan Industrial area. The initial tenure of Lease is 95 Years. The premium so paid will be amortized over lease period.

2.28.8 Other Additional information required as per provisions of Part II of Schedule VI to the Companies Act, 1956



**A Auditor's Remuneration**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Statutory Audit (Including Tax Audit Fees)	50,000	50,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>

**B CIF Value of Import**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Raw material	68,200,114	81,781,532
Components & Spare Parts	159,318	273,946
<b>Total</b>	<b>68,359,432</b>	<b>82,055,478</b>

**Expenditure in Foreign Currency**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Travelling Expenses	791,262	518,662
<b>Total</b>	<b>791,262</b>	<b>518,662</b>

**D Earnings in Foreign Currency**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount (Rs)	Amount (Rs)
Export of Goods (On F.O.B. basis)	114,724,293	137,084,241
<b>Total</b>	<b>114,724,293</b>	<b>137,084,241</b>

**2.28.9 Disclosure as per new amendments in Schedule VI in respect of Micro Small & Medium Enterprises Development Act, 2006:**

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.



2.28.10 Figures for the previous year have been re-grouped/re-classified wherever necessary.

As per our report of even date attached

For Sureka Associates  
Chartered Accountants  
Firm Registration No:110640W

For and on behalf of the Board of Directors



Suresh Sureka  
Partner

Membership No:34132

Date : 14 AUG 2014

Place : Mumbai



Director



Director

