



# BHARAT WIRE ROPES LTD.



ELEVATOR



GENERAL  
ENGINEERING



MINING



CRANES

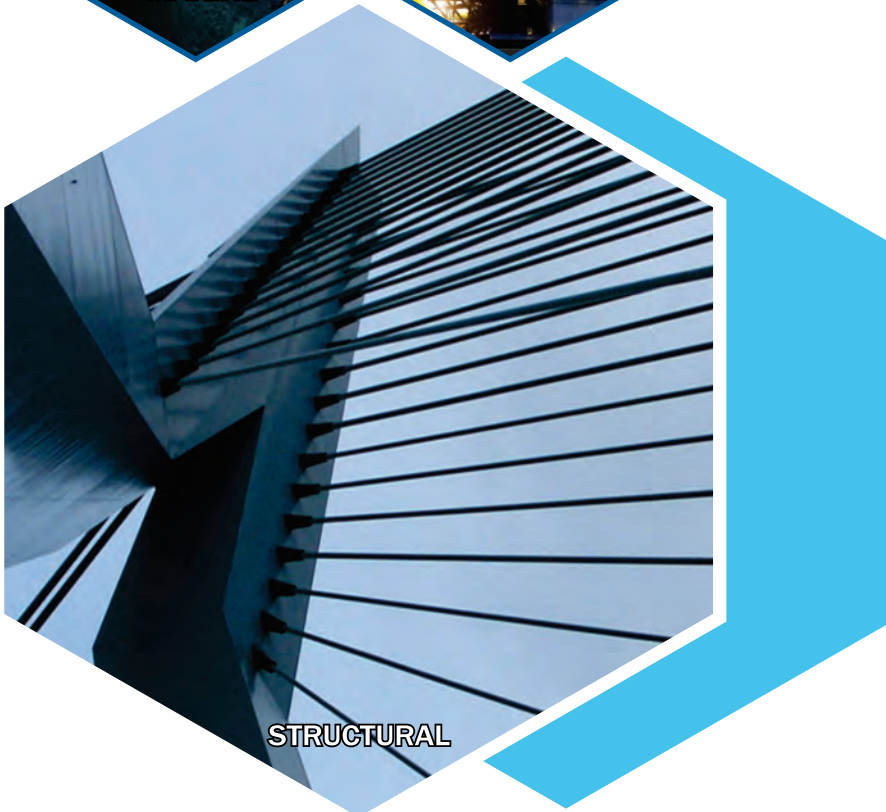


MARINE

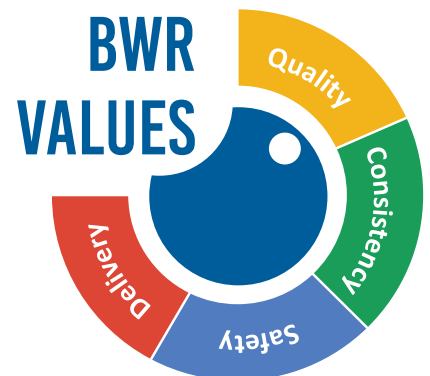


OIL & GAS

# ANNUAL REPORT 2018-19



STRUCTURAL





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## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

**Mr. Sanjiv Swarup**

Chairman & Independent Director

**Mr. Asit Pal**

Ex-Chairman & Independent Director  
(resigned w.e.f. August 13, 2018)

**Mr. Supratik Chatterjee**

Ex-Chairman & Independent Director  
(ceased w.e.f. May 30, 2018)

**Mr. Murarilal Mittal**

Managing Director

**Mr. Mayank Mittal**

Joint Managing Director

**Mr. Sumit Kumar Modak**

Whole-Time Director

**Mr. Sushil Sharda**

Whole-time Director  
(Ceased w.e.f. November 13, 2019)

**Mr. Venkateswararao Kandikuppa**

Whole-Time Director

**Mr. Shivkumar Malu**

Independent Director

**Mr. Satyendra Nayak**

Independent Director  
(w.e.f. August 13, 2018)

**Mr. Ajai Kumar**

Independent Director  
(ceased w.e.f. April 6, 2018)

**Ms. Ruhi Mittal**

Non-Executive Director

### **KEY MANAGERIAL PERSONNEL**

**Mr. Mahender Singh Arora**

Chief Executive Officer

**Mr. Rakesh Kumar Jain**

Chief Financial Officer

**Mr. Shailesh Rakhasiya**

Company Secretary & Compliance Officer

### **STATUTORY AUDITORS**

M/s. Sureka Associates, Chartered Accountants

### **SECRETARIAL AUDITORS**

M/s. APC & Associates, Practicing Company Secretaries

### **INTERNAL AUDITOR**

M/s. Borkar & Muzumdar, Chartered Accountants

### **COST AUDITOR**

Dilip M. Bathija, Cost Accountant

### **REGISTRAR AND TRANSFER AGENTS**

**Karvy Computershare Private Limited**

Karvy Selenium, Tower B, Plot Number 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032, India.  
Tel.: 040 6716 2222  
Fax: 040 2343 1551

### **REGISTERED OFFICE & PLANT SITE**

Plot No. 4, MIDC, Chalisgaon Industrial Area,  
Village – Khadki, Taluka – Chalisgaon,  
District – Jalgaon 424 101.

**Tel.:** +91 70454 56116

**Email:** [compliance@bharatwireropes.com](mailto:compliance@bharatwireropes.com)

**Website:** [www.bharatwireropes.com](http://www.bharatwireropes.com)

### **CORPORATE OFFICE**

701, A Wing, Trade World Building, Kamla Mills Compound,  
Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.  
Tel.: +91 22 6682 4600

### **PLANT SITE**

Plot 1 & 4, Atgaon Industrial Complex, Mumbai-Nasik  
Highway, Atgaon (East), Taluka Shahpur, Thane – 421 601.

### **BANKERS**

State Bank of India

Bank of Baroda

Union Bank of India

Vijaya Bank

Central Bank of India

Corporation Bank

EXIM Bank

Union Bank of India (UK) Ltd.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Overview of the Economy:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.3 % in 2018-19. Young population corresponding low dependency ratio, improved investment rating and high FDI inflow are some of the major factor of growth of the Indian economy.

### 2. Industry Structure and developments:

It has been witnessed that Steel & Wire Manufacturing Industry is growing very fast. The demand of wires is expected to increase in leaps and bounds in the years to come. Steel Wire Rope industry in India has prospered owing to growth in infrastructure activities and demand in industrial sector. This growth was witnessed majorly due to government initiatives such as Pradhan Mantri Awas Yojana, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission, Delhi Mumbai Industrial Corridor (DMIC) and others. The primary growth drivers for steel wire ropes in India have been infrastructure development, increased industrial activity, enhanced emphasis on shipping and port sector along with growth in the mining industry. The resurgence in the Oil and Gas industry is expected to increase the number of oil rigs which will further add impetus to the growth of steel wire rope industry.

### 3. Our Business:

Wire ropes are a value-added product, formed from wire rods, which falls in the long steel category of steel products. Over the years, with significant improvement in the strength of steel wire ropes manufactured, the usage of these steel wire ropes has significantly increased in various diverse applications.

Wire rope consists of several strands of metal wire laid (twisted) into a helix. The term "cable" is often used interchangeably with "wire rope". Bharat Wire Ropes Limited ("the Company") is a leading steel wire rope manufacturing company established in the year 1986.

The Company has a diverse product mix which includes General Purpose Ropes, Fishing Ropes, Crane Ropes, Structural Ropes, Elevator Ropes, Mining Ropes, Oil & Gas Ropes & Shipping Ropes. In addition to the above Mechanically Spliced Slings, Hand Spliced Slings, Earth Wires, Stay Wires, Guy Wires and Spiral Strands. The Company caters to a rich mix of clients ranging from

Overseas Consumers, Private Players, the entire Indian Defense Segment and Government and Semi-Government Organizations. Providing service to a variety of clients has helped the company develop versatility which makes it better equipped to handle diverse / heterogeneous kinds of enquiries.

Bharat Wire Ropes has a well-diversified customer base of more than 500 large and medium size customers across the globe and country from different industries including oil & gas, mining, fishing, ports & marine, elevator, power transmission, railways, construction, infrastructure, defense, crane manufacturers, among others.

### 4. Segment-wise or Product-wise performance:

The Company believes that its ability to cater a wider customer base on account of its diversified product offering has enabled the Company to provide customization options to its valued customers. To further strengthen the Company's product mix, the efforts have been made to focus on niche sectors for providing wire ropes such as non-rotating ropes, suspension bridge ropes. The Company believes that its ability to provide a mix of high-value niche products along with being active in the volume segments has helped in balancing the Company's revenues.

### 5. Business Strategy:

#### I. Expansion of Company's presence in the domestic markets:

The Company is undertaking various marketing activities to expand and enhance its presence in the existing business segments by identifying markets where it can provide cost effective, technically advanced products to its clients. The Company envisage to have close contacts with major end-users to provide greater client-interfacing. Further, the Company has successfully been awarded and it has certified product approvals/registrations from BIS for all types of steel wire ropes and strands etc., and with all major engineering consultants and equipment suppliers. The Company has already strengthen and build-up its sales force which will enable the Company to effectively market their products in the domestic markets.

#### II. Focus on development of international markets for the Company's Products:

The Company serves the European and Scandinavian Countries, South African, African and the Middle Eastern markets through many of the local wire rope dealers.

The company has dedicated cell of marketing personnel for export and domestic markets.

### III. **Strengthening of product portfolio and developing capabilities to manufacture a wider range of products:**

Management is planning to strengthen the product portfolio by developing capabilities to manufacture a wider range of products. To provide quality product at reasonable prices has always been the ultimate aim of the Company. The Company intends to manufacture wires independently at its new plant in Chalisgaon, thereby eliminating the dependency on the limited types of wires available in the market and enabling the Company to manufacture and offer an increased range of wire rope products, including but not limited to marketing high performance crane ropes for ports, large diameter spiral strands for structures and bridges, elevator ropes, high performance mining ropes, long-life-cycle fishing ropes, onshore and offshore ropes and special ropes for construction sector.

### IV. **Meeting Quality Standards and developing customer focus:**

Providing quality products at reasonable price has always been the ultimate aim of the Company. The Company has in place the strategy which supports Total Quality Management. Company's technically qualified persons are determined to achieve the objective of zero defects and minimal rejection. The Company has testing facilities to ensure that all our products are thoroughly tested prior to dispatch from our factory so that grievances can be minimized.

Company has been recently accredited with ISO 9001, ISO 14001 and ISO 18001 certifications by TUV SUD.

Company has also achieved a major milestone by getting the approval of LLOYDS Registrar UK for the plant at Chalisgaon.

Our Chalisgaon Plant also has received approvals from Bureau of Indian Standards to put ISI mark on the products confirming to IS: 2266, IS: 2365 & IS: 4521. It has also received Approval from Power grid Corporation of India Limited for manufacturing 7 strand G S Earthwire.

### 6. **Opportunities and Threats**

Government's initiative of expanding infrastructure under various schemes, such as Housing for All, AMRUT, will increase the demand for wire ropes in future. Increasing urbanization in India and growth of nuclear families has led to increase in residential development. This has further increased housing requirements, which will drive the demand for wire ropes.

Rise in mining and quarrying sector will also augment the steel wire ropes in market in India.

The market for steel wire rope is at a matured stage, with a limited number of players dominating the market. Steel

Wire ropes are used dynamically for lifting and hosting in applications, and for transmission of mechanical power. The primary drivers of wire rope market in future will be "Housing for all by 2022" project. This will require a series of government projects to be launched which can provide impetus to the construction and allied industries and consequently to the steel wire rope market. It has been anticipated that steel wire ropes production will meet the domestic market demand owing to year-on-year increase in production capacities of the companies. "Smart Cities Mission" has planned to invest INR 1 Billion for each smart city. The aim of the mission is to improve living standards across major cities in India. The mission also aims at improving infrastructure facilities in urban areas in the country which will drive the demand of steel wire ropes in India.

The resurgence in the Oil and Gas industry is expected to increase the number of oil rigs which will further add impetus to the growth of steel wire rope industry.

However, high debt levels of manufacturers and actual implementation of infrastructure projects remain a concern for the industry.

### 7. **Risks and Concerns**

Growth of the sector is depended on the enlargement of allied sectors. Forecasted plans and projections are subject to risk. Various kinds of risk associated with the development are Liquidity Risk, Market Risk and Operational Risk. Other dominant threats faced by the Company are in the form of competition it faces in the industry. In particular, the Company competes with other wire rope manufacturing companies, both in India and abroad, on the basis of a number of factors, including but not limited to quality, time of delivery and price. Fluctuations in the price, availability and quality of raw materials used in our manufacturing process could have a material adverse effect on cost of sales or the Company's ability to meet customer demands. There can be no assurance that the Company will always be successful in its efforts to protect the business from the volatility of the market price of raw materials, and the business can be affected by dramatic movements in prices of raw materials.

Risk is the vital factor of every business. The Company has in place a Risk management Committee which outlines the amount of risk involved in the business and various techniques for risk mitigation & Risk minimization. The Company believes that managing risks helps in maximizing returns. The Company's approach for addressing business risks is comprehensive and includes identification of Risks, periodic review of such risks and measures to for mitigating such risks.

Key Risks	Impact on the Company	Mitigation
A Slowdown in Economic Growth	Economic factors like increase in rate of inflation, scarcity of credit, increases in commodity and energy prices other factors such as political or regulatory action, including adverse changes in liberalization policies, business corruption, social disturbances, terrorist attacks and other acts of violence or war, natural calamities may impede Company's growth and expansion plans. Company's operations and financial condition may be adversely affected by, conditions in financial markets in the global economy.	To constantly review the changes in economic conditions and plan to mitigate the same.
Changes in Technology	Inability to keep pace with the rapidly changing Technological Environment adversely affect the Company's ability to compete efficiently, reduce competitiveness, ability to develop new products and the consequential quality of Company's products, and could also adversely affect sales and profitability.	To anticipate and respond on a timely basis and economical basis to technological advances in the sector which Company operates. Preventive maintenance activities will only be productive. Company needs to establish a process for monitoring life cycle stages of equipment.
Supply of Raw Material	Disruption of supply of raw materials from our suppliers will adversely affect Company's operations and ability to deliver products on a timely basis.	To enter into an understanding with the suppliers in respect of long term supply of raw material. Monitor price movement regularly and keep inventories of 2- 3 months
Fluctuation in Cost of raw Material	The prices of Raw Material are subject to price fluctuation which may affect the Profitability and reduce supply leading to increase in supply costs due to which financial performance may be materially and adversely affected.	Timely anticipation of fluctuation in supply cost. Adapt to changing supply cost and adjusting purchasing practices accordingly to be able to negotiate favorable pricing terms with suppliers for such raw material.
Industrial Actions	The Company is exposed to strikes, work stoppages or increased wage demands by the employees or any other kind of disputes with employees of the Company could adversely affect its business and results of operations.	Be Proactive in addressing disputes & grievances. Address the issue as soon as the employee raise them.
Maintenance of adequate health and safety standards	Company is subject to the risk of industrial accidents which could have significant adverse consequences for Company's workers and facilities, as well as the environment. Such incidents could lead to production stoppages, the loss of key assets, or put at risk employees (including those of sub-contractors and suppliers) or persons living near the affected site. In addition, such incidents could damage Company's reputation, leading to the rejection of products by customers, These events could have a material adverse effect on the Company's revenues, results of operations, profitability and cash flows and diversion of management time into rebuilding and restoring its reputation.	Prevent worker contact with all rotating or moving machinery by using guards, enclosures, or guarding devices between the worker and the machine. Implement a lockout procedure. This will ensure that power to equipment is completely disconnected and cannot be reconnected while someone is working on the equipment.

**8. Internal Control System and their adequacy:**

Your Company has in place robust Internal Control system to maximize the effectiveness and efficiency by including activities that are tailored to the nature, size and complexity of the entity. The Company follows proper hierarchy for reporting of routine activities. Direct access to the senior Management is available in extreme cases. The Company has framed whistle blower policy to report concerned areas to the Management.

Management is responsible for establishing and maintaining internal financial controls. The Company has adequate Internal Control system with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

9. **Financial Performance:**

The Financial statements of the Company are prepared in Compliance with the Companies Act, 2013 and significant accounting policies used for the preparation of financial statements are disclosed in the notes to financial statement.

10. **Human Resource:**

Human Resources are capital of the Company. It could be invested through education and training which leads to an improvement in the quality and level of production. The Company has always given importance for developing individuals as well as teams. The system followed is transparent and performance based and it endeavors to retain, develop and provide better working environment to the employees by providing an atmosphere of trusteeship, competition and challenge, thereby providing opportunities for personal and professional growth through training and ample career enhancement opportunities.

The total strength of permanent employees as on March 31, 2019, is 588.

Bharat wire ropes Limited has shown full commitment towards employees, investors, contractors, consultants and all related personnel by providing safe-working conditions along with other welfare measures.

For **Bharat Wire Ropes Limited**

For **Bharat Wire Ropes Limited**

**Murarilal Mittal**  
**Managing Director**  
**DIN: 00010689**

**Venkateswararao Kandikuppa**  
**Whole Time Director**  
**DIN: 06456698**

Date: July 12, 2019

Place: Mumbai



## DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present the 33<sup>rd</sup> Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ("F.Y.") ended March 31, 2019.

### 1. FINANCIAL PERFORMANCE

The performance of the Company is summarized below:  
(Amount in Rs. in Lakhs)

Particulars	2018 - 19	2017 - 18
Income from Business Operations	24,063.88	16,791.99
Other income	91.88	2,072.90
<b>Total Revenue</b>	<b>24,155.75</b>	<b>18,864.90</b>
Profit before Interest, Depreciation and Taxes	1,959.69	3,783.74
Less: Interest	7,262.92	2,518.43
Less: Depreciation	2,102.77	1,234.79
<b>Profit before Tax</b>	<b>(7,406.00)</b>	<b>30.52</b>
Less: Extra-ordinary Item (Goodwill Written Off)	-	-
Less: Current Income Tax	-	2.80
Less: Minimum Alternative Tax Credit Entitlement	-	(2.80)
Less: Deferred Tax	(2,950.42)	5.61
<b>Profit after Tax</b>	<b>(4,455.58)</b>	<b>24.91</b>
Other Comprehensive Income / (Expenses) for the Year, Net of Tax	<b>4.01</b>	<b>(11.43)</b>
<b>Total Comprehensive Income for the Year, Net of Tax</b>	<b>(4,451.57)</b>	<b>13.49</b>

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

### 2. HIGHLIGHTS OF THE FINANCIAL SUMMARY

The total revenue of the Company for F.Y. 2018-19 at Rs. 24,155.95 Lakhs was higher by 28.05% over the previous year's total revenue (Rs. 18,864.90 Lakhs). The Company suffered a loss of Rs. 4,455.58 Lakhs, as compared to profit of Rs. 24.91 Lakhs in the previous year.

### 3. COMPANY'S STATE OF AFFAIRS

Bharat Wire Ropes Limited (the "Company" or "BWR") is one of the largest manufacturers of Wire, Wire Ropes, Stranded Wires and slings in India, with an increasing global presence, catering more than 30 countries globally. The Company exports its varied products to USA, Singapore, Australia, South Africa, Kuwait, New Zealand, Vietnam, Bangladesh and Nepal. The Company is committed to increase its efficiency and productivity.

### 4. SHARE CAPITAL

The Paid-up Share Capital of the Company as on March 31, 2019, was Rs. 44,95,22,480/- consisting of 4,49,52,248 Equity Shares of Rs. 10 each. The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) since April 1, 2016.

During the F.Y. 2018-19, the Members of the Company has passed an ordinary resolution on May 15, 2018 through Postal Ballot, to increase the Authorised Capital of the Company from Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 52,00,00,000/- (Rupees Fifty Two Crores) divided into 5,20,00,000 (Five Crores Twenty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each. There was no change in the Paid-up Share Capital during the year under review.

### 5. CREDIT RATINGS

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2019.

The ratings given by BRICKWORK for long-term borrowings and short-term borrowings of the Company are **BWR BBB** and **BWR A3+** respectively. There was revision in the said ratings during the year under review is given in the below table.

Particular	March 2018	November 2018	February 2019
<b>Fund Based (Long-Term)</b>	BWR BBB	BWR BB+	BWR D
<b>Non-Fund Based (Short-Term)</b>	BWR A3+	BWR A4+	BWR D

### 6. DETAILS OF SUBSIDIARY, ASSOCIATE, JOINT VENTURE

The Company does not have any subsidiary or associate company. The company has not entered into joint venture.

### 7. RESERVES AND DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend payment of any dividend on Equity Shares for the F.Y. ended March 31, 2019. Further, there is no amount from profit and loss, which is transferred to General Reserves during the year under review.

### 8. MEETINGS OF THE BOARD

During the period under review the Board of Directors met 6 (Six) times viz. on April 7, 2018; May 30, 2018; August 13, 2018; November 13, 2018; and February 09, 2019, the details of the meetings of the board of director of the company convened during the financial year 2018-19 are given in the Corporate Governance Report which forms part of this Annual Report.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The list of Directors & Key Managerial Person of the Company as on March 31, 2019 are as follows:

1.	Mr. Murarilal Ramsukh Mittal (DIN: 00010689)	Managing Director
2.	Mr. Mayank Mittal (DIN: 00127248)	Joint Managing Director
3.	Sumit Kumar Modak (DIN: 00983527)	Whole-time Director
4.	Venkateswararao Laxmanamurty Kandikuppa (DIN: 06456698)	Whole-time Director
5.	Satyendra Shridhar Nayak (DIN: 08194706)	Additional Director (ID)
6.	Sanjiv Swarup (DIN: 00132716)	Director (ID)
7.	Shivkumar Ramkishan Malu (DIN: 05345172)	Director (ID)
8.	Ruhi Mittal (DIN: 05345172)	Director (NED)
9.	Mahender Singh Arora (PAN: AABPA9704C)	CEO(KMP)
10.	Rakesh Kumar Jain (PAN: ABBPJ5834H)	CFO(KMP)
11.	Shailesh Vallabhbbhai Rakhasiya (PAN: ALUPR5390R)	CS (KMP)

ID : Independent Director

NED : Non Executive Director

During the period under review following changes took in the Composition of the Board;

- Mr. Ajai Kumar (DIN: 02446976) resigned as an Additional Director (Non-Executive Independent Director) effective from April 6, 2018.
- Mr. Supratik Chatterjee (DIN: 06934992), Chairman & Independent Director, resigned from the directorship of the Company with effect from May 31, 2018.
- Mr. Asit Pal, Chairman and Independent Director (DIN:00742391), resigned from the directorship of the company with effect from August 13, 2018
- Mr. Sanjiv Swarup (DIN:00132716), Independent Director of the Company was appointed as a Chairman of the Board with effect from August 13, 2018.
- The Board had, on recommendation of the Nomination and Remuneration Committee (NRC), at its meeting held on August 13, 2018 appointed Mr. Satyendra Nayak (DIN:8194706) as an

Additional Director (Independent Director) of the Company with effect from August 13, 2018 who holds office up to the date of the ensuing Annual General meeting. The Board recommends his appointment to the members at the ensuing 33<sup>rd</sup> Annual General Meeting.

- Mr. Sushil Sharda, Whole Time Director, (DIN: 03117481) resigned from the directorship of the company with effect from November 13, 2018.

## 10. DIRECTOR RETIRING BY ROTATION

Pursuant to provisions of section 152 of the Companies Act, 2013 (the“Act”) and in terms of the Memorandum and Articles of Association of the Company, Ms. Ruhi Mittal(DIN: **07159227**) Non Executive Director is liable to retire by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment. The re-appointment is being placed for your approval at the AGM. The Members of the Company may wish to refer to the accompanying Notice of the 33<sup>rd</sup> AGM of the Company, for a brief profile of the Director.

## 11. DECLARATION BY INDEPENDENT DIRECTORS

The Company after due assessment took on record the necessary declarations received from each of the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and also in the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the Company.. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

## 12. COMMITTEES OF BOARD

The details pertaining to the composition of the various Committees of Board and details of their meeting held are included in the Corporate Governance Report, which is a part of this report.

## 13. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on March 31, 2019 in Form MGT - 9 in accordance with Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at [www.bharatwireropes.com](http://www.bharatwireropes.com)

## 14. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the

SEBI Listing Regulations. The Company has complied fully with Corporate Governance requirements under the SEBI Listing Regulations. A separate section on Corporate Governance practices followed by the Company together with a Certificate from Statutory Auditor and Management Discussion and Analysis as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) are annexed and form part of this Annual Report.

**15. SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively, have been duly followed by the Company.

**16. INDIAN ACCOUNTING STANDARDS (IND AS):**

The Ministry of Corporate affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of this notification, the financial statements for the year ended March 31, 2019 are prepared in accordance to the same.

**17. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm the following statements:

- (a) In the preparation of the annual accounts for the financial year ended March 31, 2019; the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the company and those internal financial controls were adequate and were operating efficiently; and

- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. AUDITORS**

**Statutory Auditors**

M/s. Sureka Associates, Chartered Accountants, Mumbai (Firm Registration No.: 110640W) were appointed as Statutory Auditors of the Company from the conclusion of Annual General Meeting held on September 30, 2014, for a term of 5 (five) years, to hold the office until the conclusion of the Annual General Meeting to be held in the year 2019. Accordingly, the auditor holds office upto conclusion the ensuing Annual General Meeting. The Board of Directors, on recommendation of Audit Committee, in its Meeting held as on May 25, 2019 had appointed M/s. Sureka Associates, Chartered Accountants, Mumbai (Firm Registration No.: 110640W) for the second consecutive term starting from the conclusion of this Annual General Meeting, until the conclusion of the 34<sup>th</sup> Annual General Meeting, subject to approval of the Members at the ensuing Annual General Meeting,

The Board recommends the appointment of Auditor to the members at the ensuing 33<sup>rd</sup> Annual General Meeting

M/s. Sureka Associates, Chartered Accountants has confirmed their eligibility and consent under Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as the Auditors of the Company for the financial year 2019–2020. In terms of the SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Further, the report of the Statutory Auditors along with the notes is enclosed with the Financial Statements. The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31 March, 2019.

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

Comments on Statutory Auditors Report:

Observations	Comments
The Company has defaulted in the repayment of loans / interest	The Company could not generate sufficient funds to honour the repayment of Loans/ interest, therefore company has submitted restructuring proposal to Banks.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed **M/s. APC & Associates**, Practicing Company Secretaries (Membership number: **A45143**;

Certificate of Practice number: **21555**), to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2019 and issued the Secretarial Audit Report in Form MR-3 as the aforesaid provisions. The Secretarial Audit Report is annexed to this report.

**Comments on Secretarial Auditor's Report:**

<b>Observations</b>	<b>Comments</b>
The Company has duly prepared the Annual Report for the F.Y. 2017-18 as per the applicable provisions of Companies Act, 2013, however, the significant accounting policies were not present in the Annual Report duly sent to all the shareholders of the Company.	The Company has duly prepared all the necessary accounting policies as per the applicable provisions of Companies Act, 2013. The same is the part of the Annual Report and available on public domain. It may be noted that the said accounting policies were missing in the copies of annual report and the same was due to some printing issues.
As per regulation 23 (2) of SEBI (Listing Obligations and Disclosure Requirements), 2015, the company has not taken prior approval of Audit committee for the related party transactions proposed to be entered by the company.	The Company duly obtained all the necessary approvals from board as required under the provisions of SEBI (LODR) as well as Companies Act, 2013 respectively. The audit committee was duly informed about the said transactions. It is pertinent to note that all the said transactions are at arms-length price and in ordinary course of business.

Pursuant to the circular issued by the SEBI dated 8 February, 2019, Secretarial Auditor has issued the "Annual Secretarial Compliance Report" and the same was submitted to the stock exchanges in time.

**Cost Auditors:**

The Board of Directors had appointed **M/s. Dilip M. Bathija**, Cost Accountant (Firm Registration No. **100106**), as the Cost Auditors of your Company for the financial year 2018-19 to conduct the audit of the cost records of your Company.

Pursuant to Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Cost record and Audit) Rules, 2014, the Board of Directors of your Company has appointed **M/s. Dilip M. Bathija**, Cost Accountant (Firm Registration No. **100106**) as the Cost Auditor for the financial year 2019-20 on the recommendations made by the Audit committee. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would be not exceeding INR 70,000/- (Rupees

Seventy Thousand only) excluding taxes and out of pocket expenses, if any. Your directors recommend approval of said remuneration to the Cost Auditors of the Company.

Your company has received consent from **M/s. Dilip M. Bathija**, Cost Accountant (Firm Registration No. **100106**), to act as the Cost Auditor of your company for the financial year 2018-19 and 2019-20 along with certificate confirming their Independence.

**Internal Auditor**

**M/s. Borkar & Muzumdar**, Chartered Accountants (Firm Registration No.: **101569W**), Mumbai performed the duties of internal auditors of the company for the Financial Year 2018-19 and their report is reviewed by the audit committee from time to time.

**19. POLICY FOR DETERMINING DIRECTORS' ATTRIBUTES AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

Pursuant to Section 178 of the Act, the Board has devised Nomination and Remuneration Policy for determining director attributes and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Board Diversity and Remuneration Policy, has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board and to ensure that the level and composition of the remuneration of Directors, Key Managerial Personnel and all other employees are reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The said Policy is available on the website of the Company and can be accessed at the web link: [www.bharatwireropes.com](http://www.bharatwireropes.com)

**20. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees, Individual Directors, Chairpersons and the CEO/Managing Director etc., for the year under review.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors including the Non-Executive Chairman and the Managing Director/CEO, their personal performance carried out using a peer review process, participation, contribution and offering guidance and understanding of the areas which were relevant to them in their capacity and was assessed on selected parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

In a separate meeting of the Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman were also evaluated, taking into account the views of Executive Director and Non- Executive Directors. The Directors were asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its Committees and its areas of improvement for a higher degree of engagement with the Management.

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management. Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have also agreed on some action points, which will be implemented over an agreed period.

#### 21. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Familiarisation Programme for Independent Directors, which also extends to other Non-Executive Directors aims to familiarise them with the Company, nature of the industry, business model, processes & policies, compliances etc., and seeks to update them on the roles, responsibilities, rights and duties under the Companies Act, 2013 and the SEBI Listing Regulations and other applicable statutes. The details of the induction and familiarisation programme for the Directors are given in the Corporate Governance Report, which forms part of the Annual Report.

#### 22. BUSINESS RISK MANAGEMENT

Your Company has laid down Risk Management Policy to identify risks inherent in the business operations of the Company which provides guidelines to define, measure, report, control and mitigate the identified risks. An enterprise-wide risk management framework is applied so that effective management of risks can be done. Risk is an integral part of every employee's job. The Audit Committee and Risk Management Committee plays an important role in evaluation of the risk management systems. The Policy is devised for identification of elements of risks and procedures for reporting the same to the Board. The Board reviews the business plan at regular intervals and develops the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing and mitigating all the material risks, both external and internal viz. Environmental, Business, Operational, Financial and others.

#### 23. CORPORATE SOCIAL RESPONSIBILITY

Your Company does not fall under the criteria of undertaking Corporate Social Responsibility activities as per the Section 135 of the Act.

#### 24. DEPOSITS

Your Company did not hold any public deposit at the beginning of the year nor has it accepted any public deposits during the year under review.

#### 25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

#### 26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH PARTIES

All related party transactions entered and executed during the year under review were in ordinary course of business and on arms' length basis. There were no material contracts or arrangements or transactions with related parties, therefore Form AOC-2 does not form part of this report. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel, etc., which may have potential conflict with the interest of the Company at large. A statement of all Related Party Transactions is presented before the Board on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The said transactions were unanimously approved by the Board.

Policy on Materiality of and dealing with Related Party Transaction of the Company is available on the website of the Company and can be accessed at the web link: [www.bharatwireropes.com](http://www.bharatwireropes.com)

#### 27. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism encompasses the Whistle Blower Policy and provides for adequate safeguards against victimization of persons who use the mechanism. It also provides direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The Vigil Mechanism and Whistle Blower Policy are available on the Company's website ([www.bharatwireropes.com](http://www.bharatwireropes.com)). The concerned employees and the Directors of the Company are made aware of the said policy from time to time.

#### 28. DETAILS REGARDING BHARAT WIRE ROPES LIMITED EMPLOYEE STOCK OPTION PLAN, 2017 ("BWR ESOP 2017")

Your Company has formulated the Bharat Wire Ropes Limited Employee Stock Option Plan, 2017 ("BWR ESOP 2017"), for grant of Stock Options to certain employees of the Company. BWR ESOP 2017 was approved by the Members pursuant to the Special Resolution passed through Postal Ballot on March 22, 2017. As on March 31, 2019 Your Company has granted 20,82,500 number of options to employees so far.

The Board of Directors confirms that there are neither any new plans introduced nor there were any material changes made in the existing ESOP Plans and all the existing ESOP Plans comply with the SEBI Guidelines. Details of shares issued under ESOPs, as also the disclosure in compliance

with the SEBI (Share Based Employee Benefits) Regulations, 2014, read with SEBI circular dated 16 June, 2015 are uploaded on the website of the Company at web link [www.bharatwireropes.com](http://www.bharatwireropes.com).

The Annual Certificate from the Statutory Auditors stating that the ESOP Plans have been implemented in accordance with the SEBI Regulations and the resolutions have been passed by the members in their general meeting, will be obtained and placed at the ensuing 33<sup>rd</sup> Annual General Meeting for inspection of Members.

## 29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its future operations.

## 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as under:

### (A) Conservation of Energy:

The Company has installed Energy efficient transformer in order to reduce the loss for power transformation on our projects.

### (B) Technology Absorption:

BWR has taken one step further towards technological increase in productivity and reduce equipment down time. Developed in house android based Material and maintenance management application. A user friendly Monitor by measures including performance of the equipment, workforce productivity, material requirement different stages of production. It helps to protect assets, increase equipment life time, Improve system reliability. Reduce unknown incidents and improve equipment reliability with proactive & preventive maintenance processes. Enhance productivity of the machinery and streamline workflow by improving MTBF and reducing Equipment down time (reactive).

<ul style="list-style-type: none"> <li>Protect assets</li> <li>Improve system reliability</li> <li>Finally increase the production.</li> </ul>	<ul style="list-style-type: none"> <li>Increase equipment life time</li> <li>Decrease cost of replacement and</li> </ul>
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There have been no other technology changes in the Company during the year under review, but Company is under process to bring more technological revolution by installing high end technology for its plant in Chalisgaon, Maharashtra.

## (C) Foreign exchange earnings and outgo:

(Amount in Rs.)

Sr. No.	Particulars	2018-19	2017-18
1.	Foreign Exchange Earnings (Inflow)	25,32,41,831	51,52,60,841
2.	Value of Direct Import (C. I. F. Value)	29,45,61,705	21,57,21,318
3.	Expenditure in Foreign Currency (Outflow)	8,51,75,263	2,69,08,540

## 31. COMPLIANCE WITH PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of women employees and an Internal Complaints Committee has been formed for each location of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Further, the Company has also framed 'Sexual Harassment Policy of Bharat Wire Ropes Limited to prevent sexual harassment of women at work place. For the year under review, no case of Sexual harassment was reported to the Internal Complaints Committee.

## 32. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

### The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2018-19:

Name of the Directors	Ratio to the median Remuneration
<b>Non-Executive directors</b>	N.A. as they have only received sitting fees for attending meetings of the Board and its Committees during the Financial Year 2018-19
<b>Executive directors</b>	
Mr. Murarilal Mittal (Managing Director)	28.22
Mr. Mayank Mittal (Jt. Managing Director)	26.60
Mr. Sushil R. Sharda (Whole-Time Director)	12.80
Mr. Sumit Kumar Modak (Whole-Time Director)	13.51
Mr. Venkateswararao Kandikuppa (Whole-Time Director)	7.72

- (i) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
<b>Non-Executive directors</b>	N.A. as they have only received sitting fees for attending meetings of the Board and its Committees during the Financial Year 2018-19
Mr. Murarilal Mittal (Managing Director)	0.00
Mr. Mayank Mittal (Jt. Managing Director)	0.00
Mr. Sushil R. Sharda (Whole-Time Director)	0.00
Mr. Sumit Kumar Modak (Whole-Time Director)	0.98
Mr. Venkateswararao Kandikuppa (Whole-Time Director)	7.87
Mr. Mahender Singh Arora (Chief Executive Officer)	26.50
Mr. Rakesh Kumar Jain (Chief Financial Officer)	8.92
Mr. Shailesh Rakhasiya (Company Secretary & Compliance Officer)	34.98

- (ii) **The percentage increase in the median remuneration of employees in the financial year:**

Particulars	2018-19 (Rs.)	2017-18 (Rs.)	% Increase / Decrease
Median remuneration of all employees per annum	2,83,476	2,92,622	(3.13)

- (iii) **The number of permanent employees on the rolls of Company:** There were 588 (Five Hundred & Eighty Eight) permanent employees as on March 31, 2019.
- (iv) **Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase/decrease in the managerial remuneration:**

The average increase in the salaries of employees excluding Managerial Personnel during Financial Year 2018-19 was **0.61 %**. The average increase in the Remuneration of Managerial Personnel during the Financial Year 2018-19 was **3.82 %**. The increase in the remuneration of Managerial Personnel was due to the increase in the remuneration of Managing Director and Whole-Time Director which was based on Company's Performance and their Individual Performance.

- (v) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

### 33. MATERIAL CHANGES AND COMMITMENTS

There were no other material changes or commitments affecting the financial position of your Company which have occurred during the financial and July 12, 2019, being the date of this Annual report.

### 34. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has a robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place by way of built in controls in ERP system and have been designed to provide a reasonable assurance. A reputed Chartered Accountants firm has also been engaged for internal audit, covering all units and business operations. The Audit Committee reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them. Apart from having all policies, procedures and internal audit mechanism in place, your Company also periodically engages outside experts to carry out an independent review of the effectiveness of various business processes. The observations and good practices suggested are reviewed by the Management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

### 35. CEO/CFO CERTIFICATION

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the certification by the Managing Director and Chief Financial Officer on the financial statements and Internal Controls relating to financial reporting has been obtained.

### 36. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of Seven years. Therefore there were no funds which were required to be transferred to investor Education and Protection Fund (IEPF).

**37. MISCELLANEOUS::**

- **Your company has not issued equity shares with differential rights as to dividend, voting or otherwise;**
- **Your Company did not allot any equity share as sweat equity shares. Therefore, no disclosures as required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014;**

**38. APPRECIATION AND ACKNOWLEDGEMENT**

Your Directors are grateful to the Investors for their continued patronage and confidence in the Company over the past several years. Your Directors also thank the Central and State Governments, other Statutory and Regulatory Authorities for their continued guidance, assistance, co-operation and support received.

Your Directors thank all our esteemed clients, associates, vendors and contractors within the country and overseas for their continued support, faith and trust reposed in the professional integrity of the Company. With continuous learning, skill upgradation and technology development Company will continue to provide world class professionalism and services to its clients, associates, vendors and contractors.

Your Directors also wish to convey their sincere appreciation to all employees at all levels for their dedicated efforts and consistent contributions and co-operation extended and is confident that they will continue to contribute their best towards achieving still better performance in future to become a significant leading player in the industry in which Company operates.

On behalf of Board of Directors of

**Bharat Wire Ropes Limited**

**Murarilal Mittal**  
**Managing Director**  
**DIN: 00010689**

**Venkateswararao Kandikuppa**  
**Whole-time Director**  
**DIN: 06456698**

Date: July 12, 2019  
Place: Mumbai



## Form MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
BHARAT WIRE ROPES LIMITED  
CIN: L27200MH1986PLC040468**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Wire Ropes Limited** (hereinafter called "the company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 2018/1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018/2009;

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**Not Applicable during the period under review.**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**Not Applicable during the period under review, and**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018/1998;**Not Applicable during the period under review.**

vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

We have also examined compliance with the applicable clauses of following:

- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI");
- (ii) The Listing Agreement/SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the Company with Stock Exchanges.

To the best of our knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that:**

- a) *The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors w.e.f. 14<sup>th</sup> November, 2018.*

The committee of the Board is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the year;**

- *The Company has duly prepared the Annual Report for the F.Y. 2017-18 as per the applicable provisions of Companies Act, 2013, however, the significant accounting policies were not present in the Annual Report duly sent to all the shareholders of the Company.*
- *As per regulation 23 (2) of SEBI (Listing Obligations and Disclosure Requirements), 2015, the company has not taken prior approval of Audit committee for the related party transactions proposed to be entered by the company.*

**We further report that** during the audit period, the following material event has taken place in the company;

- The Company has proposed for issue and offer equity shares or other eligible securities by way of one or more public or private offerings including through a Qualified Institutions Placement ('QIP') to eligible investors for an amount not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only).

**We further report that** during the audit period, the company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

**For APC & ASSOCIATES**  
*Practicing Company Secretary*

**Date: 15/05/2019**

**Place: Ahmedabad**

Sd/-  
*Abhishek Chhag*  
*(Proprietor)*  
CP No:21555  
ACS No:45143

*Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms as integral part of this report.*

**APPENDIX A**

To,

**The Members,**  
**BHARAT WIRE ROPES LIMITED**  
**CIN: L27200MH1986PLC040468**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For APC & ASSOCIATES**  
*Practicing Company Secretary*

**Date: 15/05/2019**

**Place: Ahmedabad**

Sd/-  
*Abhishek Chhag*  
*(Proprietor)*  
CP No:21555  
ACS No:45143

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) for the financial year ended 31<sup>st</sup> March, 2019.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Good corporate governance is the basis for decision-making and control processes and comprises responsible, value based management and monitoring focused on long-term success, goal-orientation and respect for the interests of our stakeholders.

Your Company is dedicated to conduct its business consistently with the highest standards of business ethics and values. We have an obligation towards our stakeholders including shareholders, employees, customers, suppliers and communities to be honest, fair and forthright in our business activities.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with all the Members bringing in expertise in their respective domains;
- Availability of information to the Members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material, operational and financial information to the Stakeholders;
- Proper business conduct by the Board, Senior Management and employees.

### 2. THE BOARD OF DIRECTORS:

The Company recognizes and embraces the importance of a diverse Board in its success and it believes that a truly diverse Board would leverage differences in thought, perspective, knowledge, skill and industry experience, which will enrich Board discussions and enable effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The Board effectively separates the functions of governance and management and balances deliverables.

#### Skills / Expertise / Core Competencies of the Board

The Board of the Company is structured having requisite level of education/qualifications, professional background, sector expertise, special skills, nationality and geography. The Board after taking into consideration the Company's nature of business, core competencies and key characteristics has identified the following core skills/ expertise/ competencies as required in the context of its business(es) & sector(s) for it to function effectively and which are currently available with the Board.

#### i. Composition and Category of the Board:

The Company is managed by the Board of Directors in synchronization with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious mix of Executive and Non-Executive Directors as governed by the Companies Act, 2013 (the "Act"), and the stipulations laid down in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on March 31, 2019, the Board comprised of 08 (Eight) Directors out of which 4 (four) are Executive Directors (i.e. 50 %), 3 (three) are Non-Executive Independent Directors (i.e. 37.50 %) and one is Non-Executive Non-Independent Woman Director (12.5%). The Chairman of the Board is a Non-Executive Independent Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Act and other applicable regulatory requirements.

As on the date of this report, all Directors of the Company meet the criteria of maximum number of directorship as laid down in section 165 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.

**Details of Directorship/Committee Membership as on March 31, 2019:**

Sr. No.	Name of the Director	Original date of Appointment	Category	Companies Directorship(1)		Membership in Companies Board Committees(2)	
				Chairman	Member	Chairman	Member
1.	Mr. Sanjiv Swarup(3) DIN: 00132716	28/04/2018	Chairman & Independent Director	-	1	-	2
2.	Mr. Murarilal Mittal DIN: 00010689	03/11/2010	Managing Director (Promoter)	-	1	-	2
3.	Mr. Mayank Mittal DIN: 00127248	12/11/2016	Joint Managing Director (Promoter)	-	1	-	-
4.	Mr. Sumit K. Modak DIN: 00983527	01/01/2016	Whole-Time Director	-	1	-	-
5.	Mr. Venkateswararao Kandikuppa DIN: 06456698	01/01/2016	Whole-Time Director	-	1	-	1
6.	Mr. Shivkumar Malu DIN: 05345172	15/02/2017	Non-Executive Independent Director	-	1	-	1
7.	Mr. Satyendra Nayak(4) DIN: 08194706	13/08/2018	Additional Director (Non-Executive Independent Director)	-	1	-	-
8.	Ms. Ruhi Mittal DIN: 07159227	16/04/2015	Non-Executive Non- Independent Director	-	1	1	-
9.	Mr. Supratik Chatterjee(5) DIN: 06934992	14/08/2014	Ex-Chairman & Non - Executive Independent Director	1	-	-	1
10.	Mr. Ajai Kumar(6) DIN: 02446976	17/10/2017	Additional Director (Non-Executive Independent Director)	N.A.	N.A.	N.A.	N.A.
11.	Mr. Asit Pal(7) DIN: 00742391	14/02/2015	Ex-Chairman & Non-Executive Independent Director	N.A.	N.A.	N.A.	N.A.
12.	Mr. Sushil R. Sharda(8) DIN: 03117481	30/06/2010	Whole-Time Director	N.A.	N.A.	-	N.A.

**Note:**

- (1) This excludes directorships in private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956;
- (2) This relates to membership of Committees referred to in Regulation 26(1) of the Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not and excludes private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956;
- (3) Mr. Sanjiv Swarup (Non-Executive Independent Director) appointed as an Chairman of the Board w.e.f. August 13, 2018;
- (4) Mr. Satyendra Nayak was appointed as an Additional Director (Non-Executive Independent Director) w.e.f. August 13, 2018;
- (5) Mr. Supratik Chatterjee resigned as a Chairman and Non-Executive Independent Director of the Company w.e.f. May 31, 2018;
- (6) Mr. Ajai Kumar resigned as an Additional Director (Non-Executive Independent Director) w.e.f. April 6, 2018;
- (7) Mr. Asit Pal resigned as Chairman and Non-Executive Independent Director of the Company w.e.f. August 13, 2018;
- (8) Mr. Sushil Sharda resigned as Whole-Time Director of the Company w.e.f. November 13, 2018;

Brief profile of each of the above Directors/Key Managerial Personnel's of the Company is available on the Company's website: <http://www.bharatwireropes.com>.

Further, the independent directors who resigned, has confirmed that that there is no other material reason other than those provided in the resignation letter submitted to the Company.

**ii. Meetings of the Board:**

The Board meets at least once in a quarter, *inter alia*, to review the quarterly financial result, performance of the Company, status of compliance of laws, review of business and functions, material transactions and other similar matters. The gap between any two Board Meetings did not exceed one hundred and twenty days, as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Board have complete access to all the information of the Company.

During Financial Year (“F.Y.”) 2018-19, 6 (six) Board Meetings were held on April 07, 2018; May 14, 2018; May 30, 2018; August 13, 2018; November 13, 2018 & February 09, 2019.

The necessary quorum was present for all the meetings. The notice and detailed agenda along with the relevant notes and other material information were sent in advance separately to each Directors and in exceptional cases tabled at the Meeting with the approval of the Board.

The names of the listed entities where the person is a director and the category of directorship and matrix of the skills/ expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board and directors who have such skills / expertise / competence. Details of current members of the Board is given below:

Name of the Director(s)	Core Skills/expertise/ competence	Names of the listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
<b>Mr. Sanjiv Swarup</b> DIN: 00132716	Expertise in the field of Finance	Bharat Wire Ropes Limited	Independent Director	Not Applicable
<b>Mr. Murarilal Mittal</b> DIN: 00010689	Expertise in the field of Banking, Finance, Business Development, Compliances,	Bharat Wire Ropes Limited	Managing Director	Not Applicable
<b>Mr. Mayank Mittal</b> DIN: 00127248	Expertise in the field of Business Development, Administration, Information Technology	Bharat Wire Ropes Limited	Joint Managing Director	Not Applicable
<b>Mr. Sumit K. Modak</b> DIN: 00983527	Expertise in the field of Wire Rope Industries	Bharat Wire Ropes Limited	Whole-time Director	Not Applicable
<b>Mr. Venkateswararao Kandikuppa</b> DIN: 06456698	Expertise in the field of Government approvals, Liaisoning with Government Authority & Compliances	Bharat Wire Ropes Limited	Whole-time Director	Not Applicable
<b>Mr. Shivkumar Malu</b> DIN: 05345172	Practicing Professional in the field of Taxation, Audit, Finance	Bharat Wire Ropes Limited	Independent Director	Not Applicable
<b>Mr. Satyendra Nayak</b> DIN: 08194706	Expertise in the field of Forex & Treasury	Bharat Wire Ropes Limited	Independent Director	Not Applicable
<b>Ms. Ruhi Mittal</b> DIN: 07159227	Expertise in the field of Law, Management (Human Resources) and Corporate Legal	Bharat Wire Ropes Limited	Non-Executive & Non Independent Director	Not Applicable
<b>Mr. Supratik Chatterjee</b> DIN: 06934992	Expertise in the field of Banking	Bharat Wire Ropes Limited	Independent Director	Due to Pre-Occupation
<b>Mr. Ajai Kumar</b> DIN: 02446976	Expertise in the field of Banking	Bharat Wire Ropes Limited	Independent Director	Due to Pre-Occupation
<b>Mr. Asit Pal</b> DIN: 00742391	Expertise in the field of Banking	Bharat Wire Ropes Limited	Independent Director	Due to Pre-Occupation
<b>Mr. Sushil R. Sharda</b> DIN: 03117481	<b>Expertise in the field of Banking and Finance</b>	<b>Bharat Wire Ropes Limited</b>	<b>Whole-time Director</b>	<b>Not Applicable</b>

**Details of Directors attendance at Board Meetings and at the last Annual General Meeting (AGM) held during the financial year 2018-19:**

Sr. No.	Name of the Director	AGM August 13, 2018	Board Meeting Number						Held During tenure	Attended	% of Attendance
			1	2	3	4	5	6			
1	Mr. Sanjiv Swarup	Yes	NA	0	1	1	1	1	6	4	67%
2	Mr. Murarilal Mittal	Yes	1	1	1	1	1	1	6	6	100%
3	Mr. Mayank Mittal	No	1	1	0	0	0	1	6	3	50%
4	Mr. Sumit K. Modak	No	0	1	0	0	1	0	6	2	33%
5	Mr. Venkateswararao Kandikuppa	No	0	1	1	0	0	1	6	3	50%
6	Mr. Shivkumar Malu	Yes	0	1	1	1	1	1	6	5	83%
7	Mr. Satyendra Nayak	No	NA	NA	NA	NA	1	1	2	2	100%
8	Ms. Ruhi Mittal	No	0	1	0	0	0	1	6	2	33%
9	Mr. Supratik Chatterjee	No	1	0	1	NA	NA	NA	3	2	67%
10	Mr. Ajai Kumar	No	NA	NA	NA	NA	NA	NA	0	0	0%
11	Mr. Asit Pal	Yes	0	0	1	1	NA	NA	4	2	50%
12	Mr. Sushil R. Sharda	Yes	1	1	0	1	1	NA	5	4	80%

**iii. Shareholding of Non-Executive Directors as on March 31, 2019:**

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on March 31, 2019 is given below:

Sr. No.	Name of the Non-Executive Director	No. of Shares held
1.	Mr. Sanjiv Swarup	14,700
2.	Mr. Shivkumar Malu	3,500
3.	Mr. Satyendra Nayak	NIL
4.	Ms. Ruhi Mittal	NIL

**iv. Familiarisation Programme for Independent Directors:**

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates business model, etc.

Further, at the time of appointment of independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. Presentations are also made at the Board meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company operates industry and regulatory updates, strategy, finance, risk management framework.

The broad principles as followed by the Company to familiarize its Directors, including Independent Directors is available on the Company website <http://www.bharatwireropes.com>.

**v. Inter-se relationships among Directors:**

Mr. Murarilal Mittal, Managing Director of the Company is father of Mr. Mayank Mittal, Joint Managing Director of the Company.

Mr. Manan Mittal, General Manager - Administration and Information Technology is son of Mr. Murarilal Mittal, Managing Director as well as younger brother of Joint-Managing Director Mr. Mayank Mittal.

**3. COMMITTEES OF BOARD:**

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. As on the date of this report, the Company has 6 (six) Committees of the Board, viz. Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Finance Committee, Fund Raising Committee and Risk Management Committee.

Further, the Board of Directors of the Company have inter alia, reconstituted the Stakeholders Relationship Committee and revised the terms of reference of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, of the Board of Directors of the Company in view of amendments to the Listing Regulations by way of notification of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and amendments to the Companies Act, 2013.

Details of composition, terms of reference and number of meetings held during F.Y. 2018-19 for respective committees are given below:

#### A. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulations, read with Part C of Schedule II and Section 177 of the Act. The powers and terms of reference of the Committee are broadly as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. To review Management discussion and analysis of financial condition and results of operations;
22. To review Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
23. To review Management letters / letters of internal control weaknesses issued by the statutory auditors;
24. To review Internal audit reports relating to internal control weaknesses;
25. To review appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
26. To review Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

**i. Composition, Number of Meetings held and attendance during the year :**

During Financial Year (“F.Y.”) 2018-19, 4 (four) Audit Committee meetings were held on May 30, 2018, August 13, 2018, November 13, 2018 & February 09, 2019.

All Members of the committee is financially literate and have extensive financial management expertise. Mr. Shailesh Rakhasiya, Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

As on the date of this report, the Audit Committee comprises of four (4) Directors out of which three (3) are Independent Directors and one is the Managing Director. The Committee is chaired by an Independent Director. As per details in the following table:

Sr. No.	Name of the Member	Position	Category	No. of Meetings held during the tenure	No. of Meetings Attended
1.	Mr. Sanjiv Swarup	Chairman	NEID	4	4
2.	Mr. Murarilal Mittal	Member	MD	4	4
3.	Mr. Shivkumar Malu	Member	NEID	4	4
4.	Mr. Satyendra Nayak	Member	ANEID	2	2

**NEID – Non-Executive Independent Director, MD – Managing Director, ANEID – Additional Director Non-Executive Independent Director**

**B. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee (“NRC”) of the Company is constituted in line with the provisions of Regulation 19 of the Listing Regulations, read with Part D of Schedule II and Section 178 of the Act. The terms of reference of the NRC includes various matters in conformity with the statutory guidelines including the following:

1. Adopt rules and regulations for implementing the Employee Stock Option Plan (‘Plan’) from time to time;
2. Identification of classes of Employees entitled to participate in the Plan;
3. Grant Options to the identified Eligible Employee and determine the Grant date;
4. Determine the number of Options to be granted to each Grantee and in aggregate subject to the ceiling under the Plan;
5. To decide the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of an Employee;
6. To accelerate the vesting of options on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options;
7. To modify the vesting schedule on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options;



8. To decide upon the right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
9. The Vesting and Exercise of option in case of Employees who are on long leave i.e. who are on leave of more than 3 months;
10. The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues etc. In this regard, the following shall, inter alia, be taken into consideration by the Nomination and Remuneration Committee:
  - a. the number and price of options shall be adjusted in a manner such that total value to the Employee of the options remains the same after the corporate action;
  - b. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such options;
11. Determine the treatment of options granted in case of merger, sale, acquisition etc. of the company;
12. Determine the method for exercising the Vested Options, period of Exercise, etc.;
13. Determine the Exercise price of the Options Granted;
14. Re-pricing of the options which are not exercised, whether or not they have been vested if Employee stock options are rendered unattractive due to fall in the price of the shares in the market;
15. Determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option Granted hereunder;
16. Determine the terms and conditions under which Vested option can lapse in case of termination of employment on the grounds of misconduct;
17. Approve forms or agreements for use under the Plan;
18. Transferability of Employee stock options;
19. Decide all other matters that must be determined in connection with an Option under the Plan in accordance with SEBI Regulations;
20. Construe and interpret the terms of the Plan, and the Options Granted pursuant to the Plan; and
21. To frame suitable policies to ensure that there should be no violation of: -
  - a. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2016; and
  - b. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
22. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
23. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
24. Devising a policy on diversity of Board of Directors;
25. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
26. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**i. Composition, Number of Meetings held and attendance during the year:**

During Financial Year (“F.Y.”) 2018-19, 3 (three) Nomination and Remuneration Committee meetings were held on May 30, 2018; August 13, 2018 & March 23, 2019.

As on the date of this report, Nomination and Remuneration Committee (“NRC”) comprised of 3 (three) Members. All Members of NRC are Non-Executive Independent Directors. As per details in the following table:

Sr. No.	Name of the Member	Position	Category	No. of Meetings held during the tenure	No. of Meetings Attended
1.	Mr. Shivkumar Malu	Chairman	NEID	3	3
2.	Mr. Sanjiv Swarup	Member	NEID	2	2
3.	Mr. Satyendra Nayak	Member	ANEID	1	1

**NEID – Non-Executive Independent Director, MD – Managing Director, ANEID – Additional Director Non-Executive Independent Director**

**ii. Board Evaluation:**

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Individual Directors, Committees of the Board and the Board as a whole.

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with Stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment. The Board of Directors has expressed its satisfaction with the evaluation process.

**C. Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee (“SRC”) of the Company is constituted in compliance with the requirements of the Provisions of Regulation 20 of the Listing Regulations, read with Part D of Schedule II and Section 178 of the Companies Act, 2013.

The terms of reference of the SRC, inter-alia, includes the following:

1. Consider and resolve the grievances of security holders of the Company, including complaints related to transfer/ transmission of securities, non-receipt of annual report / declared dividends / notices / balance sheet, issue of new / duplicate certificates, general meetings etc.
2. Monitor and Reviewing of investors complaints and take necessary steps for redressal thereof;
3. To perform all functions relating to the interest of the Stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.

The Company attends to the shareholders’ / Investors’ grievances / correspondence expeditiously.

**i. Composition, Number of Meetings held and attendance during the year:**

During Financial Year (“F.Y.”) 2018-19, 1 (one) Stakeholders Relationship Committee meeting was held on March 23, 2019:

During the year under review, the committee were reconstituted by inducting Mr. Sanjiv Swarup as member to align with amendments to the Listing Regulations.

As on the date of this report, Stakeholders Relationship Committee (“SRC”) comprised of 4 (four) Members. As per details in the following table:

Sr. No.	Name of the Member	Position	Category	No. of Meetings held during the tenure	No. of Meetings Attended
1.	Ms. Ruhi Mittal	Chairman	NENID	1	1
2.	Mr. Murarilal Mittal	Member	MD	1	1
3.	Mr. Venkateswararao Kandikuppa	Member	NEID	1	1
4.	Mr. Sanjiv Swarup	Member	NEID	1	1

*NENID – Non-Executive & Non-Independent Director, NEID – Non-Executive Independent Director, MD – Managing Director*

**ii. Details of Shareholders’ Complaints Received, resolved and Pending during F.Y.2018-19:**

Number of complaints received in the F.Y. 2018-19	NIL
Number of complaints resolved in the F.Y. 2018-19	NIL
Number of pending complaints as on March 31, 2019	NIL

The above table includes complaints received from SEBI SCORES by the Company.

**iii. Compliance Officer :** Mr. Shailesh Rakhasiya  
 Company Secretary and Compliance Officer  
 Fax: 022-66824666  
 Tel: 022-66824600  
 E-mail: [compliance@bharatwireropes.com](mailto:compliance@bharatwireropes.com)

**D. Finance Committee:**

The Board of Directors have constituted the Finance Committee at its Meeting held on May 29, 2016. The Finance Committee has the authority to exercise following powers of the Board of Directors in between two consecutive Board Meetings, except the powers reserved for the Board or the Shareholders Relationship Committee under the Act:

1. To borrow monies and/or avail of financial facilities for the business of the company by way of loans, advances, deposits, deferred payment credits, guarantees, letters of credit and/or any other nature of credit or financial facilities from:
  - a. Any one or more of the public financial institutions, specified by or under Section 2(72) of the Companies Act, 2013 or from any other financial or investment institutions participating in one or more of the credit scheme or from any other financial or India or overseas engaged in the business of providing loans, advances or other credit or financial facilities whatsoever; and
  - b. Any commercial bank.  
 Provided that during the interval of any two consecutive meetings of the Board of Directors of the Company, the aggregate amount of such facilities from any one of the aforesaid institutions, banks or entities shall not, however, exceed a sum of Rs. 200 Crores;
2. To pre-pay / repay the loans, advances, deposits availed from any bank, financial or investment institution, mutual fund or body corporate on such terms as may be deemed fit;
3. To borrow and/or avail working capital facilities from commercial banks as under:
  - a. Cash credit facilities;
  - b. Bill discounting facilities;
  - c. Other similar working capital facilities or borrowing.  
 Provided that, during the interval of any two consecutive meetings of the Board of Directors of the Company, the total aggregate amount so borrowed from any one bank shall however not exceed Rs. 200 Crores;
4. To avail non-fund based limits for:
  - a. Deferred payment credit guarantees;
  - b. Other guarantees;
  - c. Letters of credit; and
  - d. Other non-fund based limits.  
 Provided that during the interval of two consecutive meetings of the Board of Directors of the Company, the total facilities availed against each category shall not at any time exceed Rs. 200 Crores;
5. To avail any other short term loans, advances, overdraft or note loan facility from any bank, financial or investment institution, mutual fund or body corporate with or by a negative lien on the Company's investments or by a negative lien on the Company's investments or otherwise.  
 Provided that during the interval of any two consecutive meetings of the Board of Directors of the Company, the total aggregate amount so borrowed from the banks, financial institutions or investment institutions or mutual funds or bodies corporate shall not exceed Rs. 200 Crores;
6. To authorize the officers of the Company to undertake and enter into all types of foreign currency contracts for hedging its underlying outstanding import and export exposures and other foreign currency liabilities of the Company, as may be permitted by the Reserve Bank of India and/or other authorities from time to time, with one or more banks;
7. To authorize the officers of the Company to undertake and enter into foreign exchange transactions, including currency options, swaps to convert rupee liabilities into foreign currency liabilities to hedge currency and interest rate risks/ fluctuations in respect of its export and import contracts, foreign currency & rupee liabilities and other foreign currency related matters as may be permitted by the Reserve Bank of India and/or other authorities, from time to time, with one or more banks;

8. To authorize any person whether jointly or singly with any other person to open, operate, and or otherwise close any account with any bank including to authorize such person or make modifications in the authorized person, as aforesaid to place, deposit, overdraw as also to draw or endorse and or deposit any cheques, bills of exchange, promissory notes and to any such bank as may be authorized by the Committee from time and to withdraw, cancel, revoke, modify or alter any such powers whether given by the Committee or by the Board from time to time;
9. To authorize execution of various deeds, documents, agreements, promissory notes or other papers including security documents as may be necessary for availing of any the above facilities whether present and/or contingent financial facilities and to authorize any of the officers of the Company for signing and executing the same and also to authorize for affixing Common Seal of the Company on any of the above documents in accordance with the provisions of the Articles of Association of the Company;
10. To approve execution of power of attorney for general and / or specific purposes, inter-alia including to authorize the officers of the Company to sign and execute papers relating to Excise, Sales Tax, Income Tax, Customs, FEMA, Reserve Bank of India, Central / State Governments, Local Bodies, Railways, State Electricity Boards, Telephones and Telecommunications Department, Port Trusts and/or any other applicable authorities and to attend the legal cases filed by and against the Company, insurance matters and/or for any other specific purposes/work pertaining to the Company as the Committee may deem fit and proper;
11. To authorize any person to:
  - a. appear, sign, verify, declare, affirm, make, present, submit and file all necessary notices, plaints, petitions, written statements, affidavits, undertakings, vakalatnamas, declarations, Appeals, Revisions, applications, statements, complaints, papers and documents and all proceedings and matters in connection with any suit(s) or proceeding(s) filed by or against the Company before any court of law or any tribunal or any quasi-judicial or statutory or administrative authority;
  - b. nominate, appoint and engage advocates, solicitors, counsel or other professionals and retainers; and
  - c. to do all such acts, things, deeds as may be necessary or proper to carry out the purposes mentioned above.
12. To give, withdraw, modify or alter any of the powers and/or authorities given to any person whether before or after this Resolution and whether such powers and authorities have been given by the Board of Directors or by the Committee, howsoever, including for affixing of the Common Seal of the Company as may be considered appropriate from time to time, in so far as it relates to the matters delegated to the Committee by the Board;
13. To grant loans and advances to the employees of the Company for a sum not exceeding the limits laid down in the Company's Employees Loan Policy, if any. Provided that during the interval of any two consecutive meetings of the Board of Directors of the Company, the aggregate amount of such loans and advances shall not, however, exceed a sum of Rs. 50 Lakhs;
14. To authorize the officers of the Company to make, submit, sign and execute applications, deeds, documents, agreements, contracts and any other papers (including modifications thereto) in connection with all the aforesaid matters delegated to the Committee by the Board as aforesaid and also to authorize for affixing the Common Seal of the Company, if so required, on any of the aforesaid documents in accordance with the provisions of the Articles of Association of the Company;
15. To perform such other acts, deeds and things as may be delegated to the Committee by the Board from time to time;
16. To secure attendance of outsiders with relevant expertise, if it considers necessary;
17. To approve Related Party transaction within the framework of the policy and within the power of the Board.

**i. Composition, Number of Meetings held and attendance during the year:**

During Financial Year ("F.Y."), 12 (Twelve) Finance Committee meetings were held on April 10, 2018; May 07, 2018; May 23, 2018; June 28, 2018; July 05, 2018; August 08, 2018; August 16, 2018; November 14, 2018; December 03, 2018; December 05, 2018; February 23, 2018 & March 30, 2019.

As on date of this report the Finance Committee comprises of 3 (three) Members, as per details in the following table:

Sr. No.	Name of the Member	Position	Category	No. of Meetings held during the tenure	No. of Meetings Attended
1.	Mr. Murarilal Mittal	Chairman	MD	12	12
2.	Mr. Mayank Mittal	Member	JMD	12	12
3.	Mr. Venkateswararao Kandikuppa	Member	WTD	12	12

**E. Risk Management Committee:**

As per regulation 21 of the Listing Regulations, top 100 listed entities, determined on the basis of market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee (“RMC”). Although not mandatory for the Company, the Company has constituted a RMC of the Board to inform Board Members about the risk assessment and minimization procedures. The roles and responsibilities of the Committee includes:

1. to periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard;
2. shall annually review and approve the Risk Management Framework of the Company. The risk management committee shall periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
3. shall evaluate significant risk exposures of the Company and assess management’s actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing);
4. shall coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice);
5. may form and delegate authority to subcommittees when appropriate;
6. shall make regular reports to the Board, including with respect to risk management and minimization procedures;
7. shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;
8. The Board shall review the performance of the risk management committee annually;
9. shall have access to any internal information necessary to fulfill its oversight role. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors;
10. such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

The RMC comprises of 3 (three) Members, as per details in the following table:

Sr. No.	Name of the Member	Position	Category
2.	Mr. Mayank Mittal	Chairman	Joint Managing Director
3.	Mr. Sanjiv Swarup	Member	Non-Executive Independent Director
4.	Mr. Venkateswararao Kandikuppa	Member	Whole-Time director

No meetings of the Risk Management Committee were held during F.Y. 2018-19. Mr. Shailesh Rakhasiya, Company Secretary & Compliance Officer of the Company acts as the Secretary of the Finance Committee.

**F. Meeting of the Independent Directors:**

The terms of reference of the Independent Directors includes various matters in conformity with the statutory guidelines including the following:

- a. Review the performance of Non – Independent Directors and the Board as a whole;
- b. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non – Executive Directors;
- c. Assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- d. The Independent Directors met once during the F.Y. 2018-19 on February 2, 2018. The details of participation of the Independent Director at the Meeting of the Committee held during the F.Y. 2018-19 was as under:

Sr. No.	Name of the Independent Director	Category	Independent Directors attendance	
			Held during tenure	Attended
1	Mr. Sanjiv Swarup	ID	1	1
2.	Mr. Shivkumar Malu	ID	1	1
3.	Mr. Satyendra Nayak	ID	1	1

**ID – Independent Director**

#### 4. Remuneration to Directors

##### a. Remuneration to Non-Executive Directors:

- Non-Executive Directors (“NEDs”) are paid remuneration by way of Sitting Fees;
- During the F.Y. 2018-19, no Commission was paid to the Non-Executive Directors;
- There were no pecuniary relationship / transactions between non-executive directors and the Company;
- No amount by way of loan or advance has been given by the Company to any of its Directors;
- The sitting fees payable to the NEDs for attending the Board and Committee meetings is fixed subject to the statutory ceiling. The fee is reviewed periodically.

The detail of sitting fees paid/payable to the Non-Executive Independent Director and Non-Executive Non- Independent Directors for the F.Y. 2018-19 are given below:

Sr. No.	Name	Category	Sitting Fees in (Rs.)
1.	Mr. Supratik Chatterjee	Ex-Chairman Non-Executive Independent Director	35,000
2.	Mr. Asit Pal	Ex-Chairman Non-Executive Independent Director	57,500
3.	Mr. Sanjiv Swarup	Chairman & Non-Executive Independent Director	1,00,000
4.	Mr. Shivkumar Malu	Non-Executive Independent Director	1,17,500
5.	Mr. Satyendra Nayak	Additional – Non-Executive Independent Director	50,000
6.	Ms. Ruhi Mittal	Non-Executive Non-Independent Director	27,500

##### b. Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Director and Whole-Time Director is governed by recommendation of the Nomination and Remuneration Committee (“NRC”), resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective agreements executed between them and the Company. Annual increments are linked to performance and decided by the NRC and recommended to the Board for approval thereof.

The remuneration policy is designed to create high performance culture. It enables the company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Directors and the Executive Directors.

Services of Managing Director and other Executive Director may be terminated by either party, giving six months’ written notice or by any shorter notice as may be mutually agreed between the Director and the Board of Directors. There is no separate provision for severance fees.

The Company has introduced the BWR ESOP 2017, wherein the options were granted to the eligible employees of the Company. The Executive Directors, except a promoter Director, is eligible for Stock options as per the Plan in force from time to time.

The stock option details is mentioned in Director’s Report.

Executive Directors will not be paid sitting fees for any Board/Committee Meetings attended by them.

Details of Remuneration paid to Executive Directors for the F.Y. ended March 31, 2019:

Sr. No.	Name	Category	Total Remuneration (Rs.)	Service Contracts
1.	Mr. Murarilal Mittal	Managing director	80,00,004	5 years from October 17, 2017(*)
2.	Mr. Mayank Mittal	Joint Managing Director	75,39,600	5 years from November 12, 2016
3.	Mr. Sushil Sharda <sup>(1)</sup>	Whole-Time Director	36,28,800	5 years from January 1, 2016
4.	Mr. Sumit Kumar Modak	Whole-Time Director	38,29,904	5 years from January 1, 2016
5.	Mr. Venkateswararao Kandikuppa	Whole-Time Director	21,88,212	5 years from January 1, 2016

**Note:**

(1) Mr. Sushil Sharda resigned as Whole-Time Director w.e.f. November 13, 2018;

**5. GENERAL BODY MEETING:**

**a. Details of the last three Annual General Meeting (“AGM”) are as under:**

Sr. No.	Day, Date & Time	Location	Details of Special Resolution passed
1.	Wednesday, August 10, 2016 at 12.00 Noon	Registered Office - Plot No. 1 & 4 Atgaon Industrial Complex, Mumbai Nasik Highway, Atgaon (East), Taluka-Shahpur, Dist. Thane – 421 601.	Revision in the Managerial Remuneration of Mr. Murarilal Mittal, Managing Director of the Company.
2.	Saturday, September 9, 2017 at 12:00 Noon	Registered Office - Plot No. 1 & 4 Atgaon Industrial Complex, Mumbai Nasik Highway, Atgaon (East), Taluka-Shahpur, Dist. Thane – 421 601.	No Special Resolution were passed in the said AGM.
3.	Monday, August 13, 2018 at 9:00 A.M.	Registered Office - Plot No. 4, Chalisgaon Industrial Area, Village- Khadki, Taluka- Chalisgaon, District- Jalgaon 424 101, Maharashtra, India.	No Special Resolution were passed in the said AGM.

**b. POSTAL BALLOT:**

During the year under review Special Resolution was passed by the Company on May 15, 2018 through the Postal Ballot Notice dated April 7, 2018, and the Company has conducted said Postal Ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The details of the aforesaid event have already been provided in the Annual Report of the company for the financial year 2017-18 which is available on the website of the company at [www.bharatwireropes.com](http://www.bharatwireropes.com).

**6. Means of Communication:**

The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures are an indicator of the Company’s good corporate governance practices. The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures are an indicator of the Company’s good corporate governance practices.

**a. Quarterly Result:**

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company’s website [www.bharatwireropes.com](http://www.bharatwireropes.com) and are generally published in Business Standard or Free Press Journal (English) and Mumbai Lakshadweep or Divya Marathi (Marathi), within forty eight hours of approval thereof.

**b. Website:**

Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company’s website. The Company’s website [www.bharatwireropes.com](http://www.bharatwireropes.com) contains a separate dedicated section ‘Investor Relations’ where all the shareholders’ information is available, the link to which is <https://www.bharatwireropes.com/investor-grievances>.

c. The Company has promptly disclosed information on material corporate developments, official news releases, presentations made to institutional investors/analyst and other events as required under Listing regulations to the Stock Exchanges where shares of the Company are listed, viz. National Stock Exchange of India Limited and BSE Limited. Such information is also simultaneously displayed on the Company’s website [www.bharatwireropes.com](http://www.bharatwireropes.com).

d. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication during the F.Y. 2018-19, are filed electronically through NSE’s NEAPS portal and BSE’s BSE Listing Center.

**7. GENERAL INFORMATION FOR SHAREHOLDERS:**

**a. Company Registration Details:**

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is **L27200MH1986PLC040468**.

**b. Annual General Meeting (“AGM”) for the F.Y. 2018-19:**

<b>Day and Date</b>	:	Wednesday, August 14, 2019
<b>Time</b>	:	9.00 A.M.
<b>Venue</b>	:	Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon 424 101, Maharashtra, India.
<b>Financial Year</b>	:	The financial year of the Company commences on April 1 and ends on March 31 of subsequent year.

**c. Stock Exchanges where the securities of the Company are listed:**

**National Stock Exchange of India Limited Address:**  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (E) - 400 051.  
(Symbol: BHARATWIRE)  
ISIN No. - INE316L01019

**BSE Limited**  
**Address:** Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai- 400 001.  
(Scrip Code: 539799)

Annual Listing Fees for the F.Y. 2018-19, has been paid to each of the above Stock Exchanges on April 27, 2019.

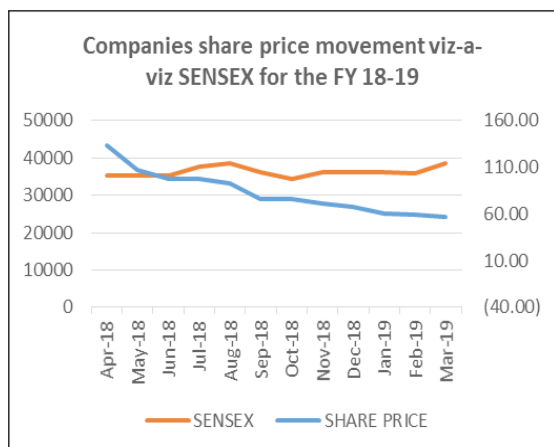
**d. Stock Market Data:**

High, Low Price and Trading Volume of the Company's Equity Shares during each month of the last F.Y. 2018-19 at National Stock Exchange of India Limited and BSE Limited are given below:

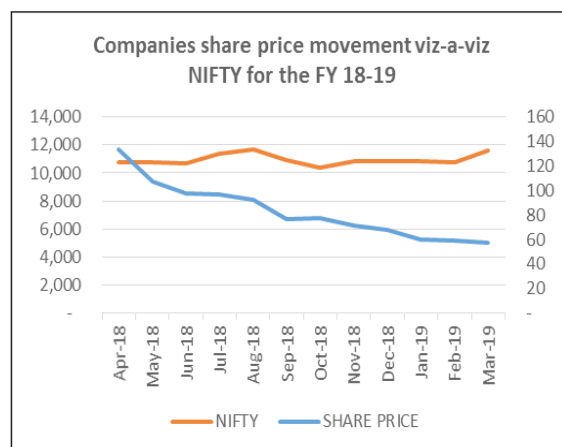
Month	National Stock Exchange of India Limited			BSE Limited		
	High	Low	Monthly Volume	High	Low	Monthly Volume
April, 2018	135.00	112.10	19,59,248	134.80	112.00	3,63,918
May, 2018	136.05	102.30	10,82,314	135.90	103.00	2,64,103
June, 2018	114.75	94.50	9,67,606	115.00	94.15	1,70,308
July, 2018	103.70	83.00	5,59,466	103.00	84.00	1,10,856
August, 2018	102.00	88.50	6,21,907	102.00	89.10	2,81,859
September, 2018	104.50	75.00	7,95,206	104.00	75.10	4,39,197
October, 2018	86.45	65.25	4,35,999	90.00	65.30	3,80,715
November, 2018	79.95	69.00	2,07,546	83.00	69.00	81,733
December, 2018	74.90	67.00	2,04,672	75.00	67.30	42,680
January, 2019	79.85	58.15	25,31,920	79.50	58.50	88,36,987
February, 2019	65.20	52.10	4,28,302	65.80	53.30	66,318
March, 2019	67.00	54.10	4,33,683	66.55	53.25	54,366

**e. Performance in comparison of Share price of the Company with BSE Sensex and NIFTY 50 is as follows:**

**BSE SENSEX**



**NIFTY 50**



**f. Registrar to an Issue and Share Transfer Agents:**

Karvy Fintech Private Limited  
Karvy Selenium, Tower B, Plot No. 31&32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032, Andhra Pradesh, India.  
Toll Free No.:1800 3454 001  
Tel No.: +91-4067162222  
Fax No.: +91-40-23431551  
Email id: suresh.d@karvy.com  
Website:www.karisma.karvy.com



**g. Share Transfer System:**

The Company's equity shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Share Transfer in Physical form are registered and returned within a period of 15 days from the date of lodgement if the documents are complete in all respect.

**h. Distribution of Shareholding and Shareholding Pattern as on March 31, 2019:**

• **Distribution of Shareholding:**

Shareholding Value	No. of Shareholder	% to Shareholder	No. of Shares held	% to Shareholding	Amount (Rs.)
1-5000	4,682	77.88	7,08,918	1.58	70,89,180
5001- 10000	502	8.35	4,29,474	0.96	42,94,740
10001- 20000	297	4.94	4,64,204	1.03	46,42,040
20001- 30000	112	1.86	2,90,648	0.65	29,06,480
30001- 40000	84	1.40	3,04,603	0.68	30,46,030
40001- 50000	63	1.05	2,96,382	0.66	29,63,820
50001- 100000	105	1.75	7,72,798	1.72	77,27,980
100001 & Above	167	2.78	4,16,85,221	92.73	41,68,52,210
<b>Total</b>	<b>6,012</b>	<b>100.00</b>	<b>4,49,52,248</b>	<b>100.00</b>	<b>44,95,22,480</b>

• **Shareholding Pattern as on March 31, 2019:**

Category of Shareholders	Number of Shares	Percentage Holding (%)
<b>A. Promoters</b>		
a. Promoter Individuals	1,00,004	0.22
b. Promoters Bodies Corporate	1,79,84,854	40.01
<b>B. Public Shareholders</b>		
a. Institutional Investors:		
i. Foreign Portfolio Investors	5,46,809	1.22
ii. Financial Institutions/ Banks	514	0.00
b. Non-Institutional Investors	-	
i. Individuals:		
• Individual shareholders holding nominal share capital up to Rs. 2 lakhs	37,20,058	8.28
• Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	72,56,484	16.14
ii. NBFCs registered with RBI	5,300	0.01
iii. Others:		
• Clearing Members	52,246	0.12
• Non-Resident Indian (NRI)	2,12,302	0.47
• Bodies Corporate	1,50,73,677	33.53
• HUF	-	-
<b>Grand Total</b>	<b>4,49,52,248</b>	<b>100.00</b>

**i. Dematerialization of Shares:**

As on March 31, 2019, 4,49,52,241 shares (approx. 100%) of the total equity share capital of the Company are held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. Percentage of shares held in physical and dematerialized form as on March 31, 2019 are:

Particulars of Shares	Number of Shares	% of Total Issued Capital
Shares held in dematerialized form in CDSL	26089983	58.04
Shares held in dematerialized form in NSDL	18862258	41.96
Shares held in Physical form	7	0.00
Total No. of Shares	44952248	100.00



**j. Outstanding GDRS/ ADRS/ Warrants/ Convertible Instruments as on March 31, 2019:**

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments.

**k. Foreign Exchange Risk:**

In compliance with the Reserve Bank of India guidelines, the Company proactively manages foreign exchange risk to protect value of exposures, if any, with an objective to manage financial statement volatility. Currently, the Company has in place appropriate risk hedging strategy for its Imports and Exports. Foreign exchange exposures are periodically reviewed and if necessary, hedged while avoiding trading and speculative positions. The Board periodically review foreign exchange exposure, if any and hedges undertaken by the Company.

**l. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2019.

The ratings given by BRICKWORK for long-term borrowings and short-term borrowings of the Company are **BWR BBB** and **BWR A3+** respectively. There was revision in the said ratings during the year under review is given in the below table.

Particular	March 2018	November 2018	February 2019
Fund Based (Long-Term)	BWR BBB	BWR BB+	BWR D
Non-Fund Based (Short-Term)	BWR A3+	BWR A4+	BWR D

**m. Plant locations:**

The Company has the following manufacturing and Operating Divisions:

**Atgaon**

Plot No. 1 & 4, Atgaon Industrial Complex,  
Mumbai Nasik Highway, Atgaon (East),  
Taluka Shahpur, Thane-421 601, Maharashtra, India.

**Chalisingaon**

Plot No. 4, Chalisingaon Industrial Area,  
Village- Khadki, Taluka- Chalisingaon,  
District- Jalgaon 424 101, Maharashtra, India.

**n. Address for correspondence with the Company:**

**Bharat Wire Ropes Limited**

Mr. Shailesh Rakhasiya

Company Secretary & Compliance Officer

A - 701, Trade World Building, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel(West), Mumbai 400 013, Maharashtra, India.

Tel: +91 - 22 - 66824600; Fax: +91 - 22 - 66824666.

Email: [compliance@bharatwireropes.com](mailto:compliance@bharatwireropes.com); Website: [www.bharatwireropes.com](http://www.bharatwireropes.com)

**8. OTHER DISCLOSURE:**

**i. Materially Significant Related Party Transactions**

There are no transactions of material nature other than reported under “Related Party Disclosures” that have been entered into by the Company with the promoters, directors, their relatives and the management and in any Company in which they are interested and that may have potential conflict with the interest of the Company.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.

The Company has formulated a policy on dealing with Related Party Transactions and determining material subsidiaries. The policy is available on the website of the Company [www.bharatwireropes.com](http://www.bharatwireropes.com).

**ii. Statutory Compliances, Penalties and Strictures**

There were no instances of non-compliances during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.

iii. Whistle Blower Policy & Vigil Mechanism:

The Company has a duly adopted Whistle Blower Policy and established a vigil mechanism in line with the provisions of Listing Regulations and the Act, which aims to provide a mechanism to the employees and directors of the Company to report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is also provided that, in exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee.

It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee during the F.Y. 2018-19.

The whistle Blower policy and vigil mechanism can be accessed at <https://www.bharatwireropes.com/investor-relations/shareholders-information>

iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company is compliant with all the mandatory requirements of the Listing Regulations for F.Y. 2018-19.

The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent Company have adopted are mentioned below:

Discretionary Requirements:

- The position of the Chairman and Managing Director are separate.
- The Company does not maintain a separate office for the Non-Executive Chairman.
- The quarterly financial results are published in the newspapers of having wide circulation and not sent to individual shareholders. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e. National Stock Exchange of India Limited and BSE Limited.
- The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports directly to the Audit Committee of the Company.

Web link where policy on dealing with related party transactions is <https://www.bharatwireropes.com/investor-relations/shareholders-information>

v. **Disclosure of Accounting Treatment:**

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

vi. **Archival Policy:**

The Listing Regulations mandates listed entities to formulate a Policy for preservation and archiving of documents pursuant to Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is in this context that the Document Retention and Archival Policy ("Policy") is being framed and implemented.

Objectives of the Policy:

- (i) documents which need to be preserved permanently &
- (ii) documents which need to be preserved for a specific period of time.

The Archival Policy of the Company is available on company's website at <https://www.bharatwireropes.com/docs/pdf/satutory-docs-info/Revised%20Preservation%20of%20Documents%20Policy.pdf>

vii. **Any Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: None**

viii. **Extent to which the discretionary requirements specified in Part E of Schedule II of the Listing Regulations have been adopted: Given in 8 (d).**

xi. **The Company has complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of Listing Regulations.**

x. **a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed herewith which forms a part of this Report.**

- xi. Fees paid to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Paid to Statutory Auditors</b>	
Statutory Audit	10,00,000
Income Tax Audit & MVAT Audit	7,50,000
Certification Fees	NIL
Advise rendered towards GST Matters	2,50,000
Advise rendered towards Income Tax Matters	2,50,000
<b>To other entities in the same network</b>	NIL
<b>Total</b>	<b>22,50,000</b>

- xii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- number of complaints filed during the financial year : Nil
- number of complaints disposed of during the financial year : Nil
- number of complaints pending as on end of the financial year : Nil

- xiii. The Company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.

9. Declaration signed by the Managing Director stating that the Members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management is given below.

*“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2018-19.”*

*Sd/-*

*Murarilal Mittal*

*Managing Director*

10. Certificate from the Managing Director and Chief Financial Officer, in terms of Regulation 17(8) and 33(2)(a) of the Listing Regulations for financial year ended March 31, 2019, was placed before the Board of Directors of the Company and forms part of this report.
11. The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and the same forms part of this report.
12. Disclosure with respect to demat suspense account/ unclaimed suspense account: Not Applicable.

On behalf of Board of Directors

For **Bharat Wire Ropes Limited**

**Murarilal Mittal**

**Managing Director**

**DIN: 00010689**

Place: Mumbai

Date: July 12, 2019

## CEO / CFO CERTIFICATION

We, Murarilal Mittal, Managing Director and Rakesh Kumar Jain, Chief Financial Officer of Bharat Wire Ropes Limited (“**Company**”), in compliance with the requirements of the Regulations 17(8) and 33(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief certify that:

- A. We have reviewed Financial Statements for the financial year ended **March 31, 2019**, and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company’s affairs and are in accordance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) significant changes, if any, in internal control over financial reporting during the quarter;
  - (2) significant changes, if any, in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control systems over financial reporting.

On behalf of Board of Directors  
For Bharat Wire Ropes Limited

**Murarilal Mittal**  
Managing Director  
DIN: 00010689

**Rakesh Kumar Jain**  
Chief Financial Officer

Place: Mumbai  
Date: July 12, 2019

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**Bharat Wire Ropes Limited**

We have examined the compliance of conditions of Corporate Governance by Bharat Wire Ropes Limited (“**Company**”), for the Financial year ended March 31, 2019 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company’s management, and our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Management, we certify that the Company has complied with the all the applicable conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sureka Associates**  
**Chartered Accountants**

**Suresh Sureka**  
**Partner**  
**FRN NO.: 110640W**

Date: July12, 2019  
Place: Mumbai

## INDEPENDENT AUDITORS' REPORT

### To the Members of **Bharat Wire Ropes Limited** **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Bharat Wire Ropes Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Emphasis of Matter**

We draw attention to Note no. 42 of the financial statements pertaining to application for restructuring of overdue term loans. Our report is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements.**

1. As required by the Companies (Auditor's Report ) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:

- a. We have sought and 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 law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rule issued there under.
- e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "**Annexure B**". Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act, as amended:
  - i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place : Mumbai  
 Date : May 25, 2019



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Bharat Wire Ropes Limited of even date)

which have not been deposited on account of a dispute are as follows:

Name of the Statute (Nature of dues)	Amount (₹ in Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	24.42	A.Y 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	147.69	A.Y 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	1.41	A.Y 2012-13	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	18.54	A.Y 2011-12	Joint Commissioner of Sales Tax (Appeal)

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. These fixed assets have been physically verified by the management at regular intervals. According to information and explanations given to us, there were no material discrepancies noticed on such verification. In our opinion, the frequency of verification is reasonable.
- c. The title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of Inventory excluding stocks with third parties and stocks in transit have been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of Inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, duty of excise and Central Sales Tax as at March 31, 2019

- viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of loans / interest to the following banks / institutions :

(₹ In lakhs)

Particulars	Amount of Default as on Balance Sheet Date		Period of Default (in months)	
	Principal	Interest	Principal	Interest
<b>(i) Name of the lenders:</b>				
<b>Bank (INR loans)</b>				
Bank of Baroda	1500.00	837.08	> 3 months	> 3 months
Union Bank of India	600.00	454.72	> 3 months	> 3 months
Central Bank of India	750.00	339.32	> 3 months	> 3 months
Vijaya Bank	750.00	381.78	> 3 months	> 3 months
Corporation Bank	450.00	229.15	> 3 months	> 3 months
State Bank of India	125.00	32.82	> 3 months	> 3 months
Export Import Bank of India	225.00	124.43	> 3 months	> 3 months

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

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

Place : Mumbai  
Date : May 25, 2019

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## ANNEXURE - B TO THE AUDITORS' REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Bharat Wire Ropes Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's

internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Mumbai  
 Date : May 25, 2019

## BALANCE SHEET AS AT MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	56,027.82	56,540.39
(b) Capital Work in Progress	3	37.18	194.10
(c) Other Intangible Assets	4	10.84	16.13
(d) Intangible Assets under Development	4	23.37	21.40
(e) Financial Assets			
Other Financial Assets	5	72.81	25.31
(f) Deffered Tax Assets (Net)	6	2,537.28	-
(g) Other Non-Current Assets	7	1,062.02	841.60
<b>Total Non-Current Assets</b>		<b>59,771.31</b>	<b>57,638.92</b>
<b>2 Current Assets</b>			
(a) Inventories	8	8,886.16	7,345.40
(b) Financial Assets			
(i) Trade Receivables	9	3,616.92	2,322.79
(ii) Cash and Cash Equivalents	10	34.03	1,929.95
(iii) Other Bank Balances	11	409.61	639.84
(iv) Other Financial Assets	12	129.50	186.64
(c) Other Current Assets	13	3,844.51	3,579.39
<b>Total Current Assets</b>		<b>16,920.73</b>	<b>16,004.02</b>
<b>TOTAL ASSETS</b>		<b>76,692.04</b>	<b>73,642.94</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	14	4,495.22	4,495.22
(b) Other Equity	15	5,475.58	9,833.36
<b>Total Equity</b>		<b>9,970.81</b>	<b>14,328.58</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	35,781.54	43,370.38
(ii) Other Financial Liabilities	17	325.00	325.00
(b) Provisions	18	173.68	143.32
(c) Deferred Tax Liabilities (Net)	6	-	413.97
<b>Total Non-Current Liabilities</b>		<b>36,280.23</b>	<b>44,252.67</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	11,024.15	5,141.91
(ii) Trade Payables	20	3,176.66	3,743.31
(iii) Other Financial Liabilities	21	14,756.51	5,043.00
(b) Provisions	22	24.08	38.03
(c) Other Current Liabilities	23	1,459.61	1,095.43
<b>Total Current Liabilities</b>		<b>30,441.00</b>	<b>15,061.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,692.04</b>	<b>73,642.94</b>

The above Balance sheet should be read in conjunction with the accompanying notes

As per our report of even date attached

**For Sureka Associates**  
**Chartered Accountants**  
**Firm Registration No:110640W**

**Suresh Sureka**  
**Partner**  
 Membership No : 34132

**Manging Director**  
 Murarilal Mittal  
 DIN: 00010689

Date: May 25, 2019  
 Place: Mumbai

**For and on behalf of the Board of Directors**

**Whole Time Director**  
 Venkateswararao Kandikuppa  
 DIN: 06456698

**Chief Executive Officer**  
 Mahender Singh Arora  
 PAN : AABPA9704C

**Chief Financial Officer**  
 Rakesh Kumar Jain  
 PAN: ABBPJ5834H

**Company Secretary**  
 Shailesh Rakhasiya  
 PAN: ALUPR5390R

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Notes	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>1 Revenue</b>			
Revenue from Operations	24	24,063.88	16,791.99
Other Income	25	91.88	2,072.90
<b>Total Revenue</b>		<b>24,155.75</b>	<b>18,864.90</b>
<b>2 Expenses</b>			
(a) Cost of Materials Consumed	26	16,534.67	9,533.25
(b) Purchases of Stock-in-trade	27	35.19	3,681.62
(c) Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	28	-1,362.80	-2,165.65
(d) Excise Duty		-	302.24
(e) Employee Benefits Expense	29	3,116.32	1,496.53
(f) Finance Costs	30	7,262.92	2,518.43
(g) Depreciation and Amortisation Expense	31	2,102.77	1,234.79
(h) Other Expenses	32	3,872.68	2,233.17
<b>Total Expenses</b>		<b>31,561.75</b>	<b>18,834.38</b>
<b>3 Profit before Exceptional Items &amp; Tax (1-2)</b>		<b>-7,406.00</b>	<b>30.52</b>
<b>4 Exceptional Items</b>		-	-
		1,959.69	3,783.74
<b>5 Profit Before Tax (3+4)</b>		<b>-7,406.00</b>	<b>30.52</b>
<b>6 Tax Expenses</b>	33		
(a) Current Tax		-	2.80
(b) (Less): MAT credit entitlement		-	-2.80
(c) Deferred Tax		-2,950.42	5.61
<b>Total Income Tax Expenses</b>		<b>-2,950.42</b>	<b>5.61</b>
<b>7 Net Profit after Tax (5-6)</b>		<b>-4,455.58</b>	<b>24.91</b>
<b>8 Other Comprehensive Income, net of Tax</b>			
(a) Items that will not be reclassified to Profit & Loss			
Remeasurements of post employment benefit obligations		4.01	-11.43
(b) Items that will be reclassified to Profit & Loss		-	-
<b>Other Comprehensive Income for the Year, Net of Tax</b>		4.01	-11.43
<b>9 Total Comprehensive Income for the Year, Net of Tax (7+8)</b>		<b>4,451.57</b>	<b>13.49</b>
<b>10 Earnings Per Share</b>			
Basic and diluted earnings / (loss) per share	34	-9.91	0.06

The above Balance sheet should be read in conjunction with the accompanying notes

As per our report of even date attached

**For Sureka Associates**  
**Chartered Accountants**  
**Firm Registration No:110640W**

**Suresh Sureka**  
**Partner**  
 Membership No : 34132

**Manging Director**  
 Murarilal Mittal  
 DIN: 00010689

Date: May 25, 2019  
 Place: Mumbai

**For and on behalf of the Board of Directors**

**Whole Time Director**  
 Venkateswararao Kandikuppa  
 DIN: 06456698

**Chief Financial Officer**  
 Rakesh Kumar Jain  
 PAN: ABBPJ5834H

**Chief Executive Officer**  
 Mahender Singh Arora  
 PAN : AABPA9704C

**Company Secretary**  
 Shailesh Rakhasiya  
 PAN: ALUPR5390R

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A) Cash flow (used in) / from operating activities</b>		
Profit/(loss) before income tax	-7,406.00	30.52
Adjustments for:		
Depreciation and amortisation expense	2,106.62	1,238.61
Employee benefits expense	96.97	226.50
Profit / (loss) on disposal of property, plant and equipment (net)	-	47.92
Interest expenses	7,262.92	2,518.43
<b>Operating profit before changes in operating assets and liabilities</b>	<b>2,060.51</b>	<b>4,061.98</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in trade receivables	(1,294.13)	(629.74)
(Increase) / decrease in inventories	(1,540.75)	(2,974.27)
(Decrease) / increase in trade payables	-566.65	1,785.44
(Decrease) / increase in other current non financial liabilities	364.17	529.59
(Increase) / decrease in other non-current non financial assets	-220.42	1,258.35
(Increase) / decrease in other non-current financial assets	(47.50)	(12.32)
(Increase) / decrease in other current financial assets	57.15	249.74
(Increase) / decrease in other current non financial assets	(265.12)	(727.44)
(Decrease) / increase in other non-current financial liabilities	(0.00)	(2,200.00)
Increase / (decrease) in other current financial liabilities	9,713.51	1,797.62
Increase / (decrease) in non-current provisions	30.37	33.14
Increase / (decrease) in current provisions	-13.95	14.05
<b>Total changes in operating assets and liabilities</b>	<b>6,216.66</b>	<b>-875.84</b>
<b>Cash flow (used in)/ from operations</b>	<b>8,277.17</b>	<b>3,186.13</b>
Income taxes paid (net of refunds)	-	-
<b>Net cash (used in)/ from operating activities [A]</b>	<b>8,277.17</b>	<b>3,186.13</b>
<b>B) Cash flow from investing activities</b>		
Payments for property, plant and equipment	(1,433.83)	(23,858.57)
Proceeds from property, plant and equipment	2.00	24.20
Addition made in CWIP	-1.97	13,992.83
<b>Net cash from investing activities [B]</b>	<b>(1,433.80)</b>	<b>(9,841.54)</b>
<b>C) Cash flow used in financing activities</b>		
Proceeds from / (repayment) of long term borrowings (net)	-7,588.84	8,474.93
Proceeds from / (repayment) of short term borrowings (net)	5,882.24	3,026.40
Interest paid	(7,262.92)	(2,518.43)
<b>Net cash used in financing activities [C]</b>	<b>-8,969.52</b>	<b>8,982.90</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-2,126.15</b>	<b>2,327.49</b>
Cash and cash equivalents at the beginning of the financial year	2,569.79	242.29
Cash and cash equivalents at the end of the year	443.64	2,569.79
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-2,126.15</b>	<b>2,327.49</b>

The above Balance sheet should be read in conjunction with the accompanying notes

As per our report of even date attached

**For Sureka Associates**  
**Chartered Accountants**

**Firm Registration No:110640W**

**Suresh Sureka**                      **Manging Director**

**Partner**                              Murarilal Mittal

Membership No : 34132              DIN: 00010689

Date:                                      May 25, 2019

Place:                                      Mumbai

**For and on behalf of the Board of Directors**

**Whole Time Director**

Venkateswararao Kandikuppa

DIN: 06456698

**Chief Financial Officer**

Rakesh Kumar Jain

PAN: ABBPJ5834H

**Chief Executive Officer**

Mahender Singh Arora

PAN : AABPA9704C

**Company Secretary**

Shailesh Rakhasiya

PAN: ALUPR5390R

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

### A. Equity Share Capital

Particulars	Amount
<b>Balance as at April 01, 2017</b>	<b>4,495.22</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>4,495.22</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2019</b>	<b>4,495.22</b>

### B. Other Equity

Particulars	Reserves and Surplus				Total other equity
	Capital reserve	Securities premium	Retained earnings	ESOP reserve	
<b>Balance as at April 01, 2017</b>	48.00	8,141.80	1,387.74	-	9,577.54
Profit for the year	-	-	24.91	-	24.91
Other comprehensive loss	-	-	-11.43	-	-11.43
<b>Total comprehensive income for the year</b>	<b>48.00</b>	<b>8,141.80</b>	<b>1,401.23</b>	<b>-</b>	<b>9,591.03</b>
Reserve created during the year	-	-	-	242.33	242.33
<b>Balance as at March 31, 2018</b>	<b>48.00</b>	<b>8,141.80</b>	<b>1,401.23</b>	<b>242.33</b>	<b>9,833.36</b>
Profit for the year	-	-	-4,455.58	-	-4,455.58
Other comprehensive loss	-	-	4.01	-	4.01
<b>Total comprehensive income for the year</b>	<b>48.00</b>	<b>8,141.80</b>	<b>-3,050.34</b>	<b>242.33</b>	<b>5,381.79</b>
Reserve created during the Year	-	-	-	93.79	93.79
<b>Balance as at March 31, 2019</b>	<b>48.00</b>	<b>8,141.80</b>	<b>-3,050.34</b>	<b>336.12</b>	<b>5,475.58</b>

The above Statement of changes in Equity should be read in conjunction with the accompanying notes

As per our report of even date attached

**For Sureka Associates**

**Chartered Accountants**

**Firm Registration No:110640W**

**Suresh Sureka**

**Partner**

Membership No : 34132

Date:

Place:

**Manging Director**

Murarilal Mittal

DIN: 00010689

May 25, 2019

Mumbai

**For and on behalf of the Board of Directors**

**Whole Time Director**

Venkateswararao Kandikuppa

DIN: 06456698

**Chief Financial Officer**

Rakesh Kumar Jain

PAN: ABBPJ5834H

**Chief Executive Officer**

Mahender Singh Arora

PAN : AABPA9704C

**Company Secretary**

Shailesh Rakhasiya

PAN: ALUPR5390R

## Significant Accounting Policies and Notes Forming Part of Accounts for the year ended 31st March, 2019

### 1 GENERAL INFORMATION

Bharat Wire Ropes Limited (herein referred to as “BWRL” or “the Company”) is engaged in the business of production of Wire, Wire Ropes, Strands, and Slings.

The Company is Public Limited Company which is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and is incorporated and domiciled in India. The Address of the Registered Office is Plot No. 4, MIDC, Chalisgaon Industrial Area, Villege – Khadki, Taluka – Chalisgaon, Jalgaon – 424 101, Maharashtra, India.

The financial statements were approved for issue by the Board of Directors on May 25, 2019.

### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### a) Basis of preparation and Compliance with Ind AS

- (i) The financial statements of the Company comply with and have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 (“the Act”).
- (ii) The financial statements of the Company comply in all material aspects with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- (iii) These financial statements were approved for issue by the Board of Directors on May 25, 2019.
- (iv) For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
  - Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### b) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

#### c) Functional and presentation currency and rounding off

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company’s functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs.

#### d) Recent Accounting Pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 on Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors



- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

## 2A SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the following accounting policies to all periods presented in the Ind AS financial statements.

### a) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

The specific recognition criteria described below must also be met before revenue is recognised:

#### **Sale of goods**

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. 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. Export Benefits is accounted on accrual basis.

#### **Rendering of Services**

Revenue from sale of services is recognised upon the rendering of services and is recognised net of GST.

#### **Interest income**

Interest income is included in other income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate when there is a reasonable certainty as to realisation.

#### **b) Property, plant and equipment**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed and overhaul cost is incurred, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **(i) Capital work in progress**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

#### **(ii) Depreciation**

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Pursuant to the enactment of the Companies Act, 2013 (“the Act”) and its applicability for accounting periods commencing from April 1, 2014 the company has, wherever required reassessed the useful life of its fixed assets and has computed depreciation with reference to the useful life of the assets as recommended in schedule II of the Act. However as per the valuation report dated 20<sup>th</sup> January 2015 in case of Atgaon plant Assets & as per the valuation report dated 5<sup>th</sup> May 2017 & 14<sup>th</sup> May 2018 in case of Chalisgaon Plant Assets, both certified by Chartered Engineer useful life of the some of the assets have been assessed as ranging between 25 and 60 years which is different than the life prescribed under schedule II of the Act and depreciation is computed accordingly.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except for Tangible Assets for which certificate of the useful life is taken from the competent person in that field.

Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

Leasehold improvements are depreciated over the unexpired period of respective leases or useful life whichever is shorter.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such cost. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

**c) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Company has intangible assets with finite useful lives.

Intangible assets (computer software) are amortised on straight-line method at the rates determined based on estimated useful lives of 10 years.

**d) Foreign currencies**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto 31st March, 2017 has been capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

From accounting period commencing on or after April 1, 2017, exchange differences arising on translation/settlement of long-term foreign currency monetary items, acquired post April 1, 2017, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination. –

e) **Government grants**

Government grants are credited to profit & loss account on an accrual basis.

f) **Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in

other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

g) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the

leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### i) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing materials, Stores and spares parts and loose tools: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty/ GST. Cost is determined on weighted average basis.
- Stock-in-trade: These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- Scrap: These are valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

#### j) **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company with the help of the valuer estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**k) Provisions, contingent liabilities and contingent assets**

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**l) Employee benefit schemes****(i) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**(ii) Post-employment benefits****Defined contribution plan**

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.

Payments to defined contribution retirement benefits schemes are charged as expenses as and when they fall due.

**m) Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets****Initial recognition and measurement**

All financial assets are initially measured at fair value. Transaction costs that are attributable to the acquisition of the financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sale the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories as below:

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### **Debt instrument at Fair Value through Other Comprehensive Income**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at Fair Value through Profit and Loss**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

#### **Impairment of financial assets**

The Company follows 'simplified approach' as per Ind AS 109 where the company provides for losses based on lifetime Expected Credit losses at each reporting date right from initial recognition.

#### **Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### **Subsequent measurement**

##### **Financial Liabilities at Fair Value through Profit and Loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has designated

forward exchange contracts as at fair value through profit or loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### n) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### o) **Cash dividend distributions to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### p) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### q) **Share-based payment arrangement**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/ option at the grant date.

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

#### r) **Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

#### s) **Current/Non current classification**

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle, or
- Expected to be realized within twelve months after the reporting period, or



- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

t) **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any

deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

u) **Use of estimates and critical accounting judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**3 Property, Plant and Equipment**

Carrying Amounts	Freehold Land	Leasehold Land	Factory Buildings	Office Premises	Plant and Machinery	Electrical Installation	Furniture and Fixtures	Motor Vehicles	Motor Bike	Office Equipments	Computers	Total
<b>Gross carrying amount as at March 31, 2018</b>	3,261.63	362.12	5,598.23	1,727.14	44,908.63	1,708.44	175.38	240.28	0.78	42.95	46.54	58,072.13
Additions	-	-	153.91	0.22	1,299.87	74.04	2.40	-	-	9.66	10.25	1,550.35
Exchange differences	-	-	-	-	40.40	-	-	-	-	-	-	40.40
Disposals	-	-	-	-	26.20	-	-	-	-	-	-	26.20
<b>Gross carrying amount as at March 31, 2019</b>	<b>3,261.63</b>	<b>362.12</b>	<b>5,752.14</b>	<b>1,727.36</b>	<b>46,222.71</b>	<b>1,782.47</b>	<b>177.78</b>	<b>240.28</b>	<b>0.78</b>	<b>52.62</b>	<b>56.79</b>	<b>59,636.68</b>
<b>Depreciation upto March 31, 2018</b>	-	19.00	157.85	21.11	1,098.82	109.77	32.67	64.45	0.15	13.39	14.53	1,531.74
Depreciation charge during the year	-	3.85	203.57	70.39	1,583.00	162.51	22.69	33.81	0.09	7.76	13.64	2,101.33
Disposals	-	-	-	-	24.20	-	-	-	-	-	-	24.20
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>22.85</b>	<b>361.42</b>	<b>91.50</b>	<b>2,657.62</b>	<b>272.29</b>	<b>55.36</b>	<b>98.26</b>	<b>0.24</b>	<b>21.15</b>	<b>28.17</b>	<b>3,608.87</b>

**Net carrying amount of Property, Plant and Equipment**

As at March 31, 2018	3,261.63	343.12	5,440.38	1,706.03	43,809.82	1,598.66	142.70	175.83	0.64	29.57	32.01	56,540.39
As at March 31, 2019	3,261.63	339.27	5,390.72	1,635.86	43,565.09	1,510.19	122.42	142.01	0.54	31.47	28.62	56,027.82
<b>Capital Work-in-Progress</b>												
As at March 31, 2018	194.10											
As at March 31, 2019	37.18											

**(i) Contractual Obligations**

Refer Note No 44(i) for disclosure of contractual commitments for the acquisition of Property, Plant &amp; Equipment.

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

<b>Carrying Amount</b>	<b>Intangible Assets (Computer Software)</b>
<b>4 Intangible Assets</b>	
<b>Year ended March 31, 2018</b>	
<b>Gross carrying amount as at March 31, 2018</b>	24.12
Additions	-
Disposals Classified as held for sale	-
<b>Gross carrying amount as at March 31, 2019</b>	<u>24.12</u>
<b>Accumulated Depreciation</b>	<b>Intangible Assets (Computer Software)</b>
<b>Accumulated Amortisation as at March 31, 2018</b>	7.99
Amortisation charge during the year	5.29
Disposals	
<b>Accumulated Amortisation as at March 31, 2019</b>	<u>13.28</u>
<b>Net Carrying Amount of Intangible Assets</b>	
As at March 31, 2018	16.13
As at March 31, 2019	10.84
<b>Intangible Assets under Development</b>	
As at March 31, 2018	21.40
As at March 31, 2019	23.37

(i) **Contractual Obligations**

Refer Note No 44(i) for disclosure of contractual commitments

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>5 Financial Assets</b>		
<b>Other Financial Assets</b>		
<b>Term deposits with more than 12 months maturity</b>		
- Margin Money Deposits	72.81	25.31
<b>Total Other Financial Assets</b>	<u>72.81</u>	<u>25.31</u>
<b>6 Deferred Tax Assets / (Liabilities) (Net) (Refer Note 36 )</b>		
<b>The balance comprises temporary differences attributable to</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment	3,569.65	2,767.90
	<b>3,569.65</b>	<b>2,767.90</b>
<b>Set off of deferred tax assets pursuant to set-off provisions</b>		
<b>Deferred tax asset</b>		
Employee benefit obligations	74.97	87.83
Unabsorbed Depreciation	5,811.84	2,046.81
Remeasurement of employee benefit obligations	5.55	4.72
	<b>5,892.36</b>	<b>2,139.36</b>
Tax credit (minimum alternative tax)	214.57	214.57
<b>Total Deferred Tax Liabilities (Net)</b>	<u>2,537.28</u>	<u>-413.97</u>

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>7 Other Non Current Assets</b>		
Capital Advances	859.29	641.99
<b>Unsecured, considered good</b>		
Security Deposits	202.72	199.61
<b>Total Other Non Current Assets</b>	<b><u>1,062.02</u></b>	<b><u>841.60</u></b>
<b>8 Inventories</b>		
Raw Materials	3,130.98	2,867.15
Work in Progress	2,158.64	1,817.36
Finished Products	3,256.74	2,121.69
Stores & Spares	150.55	366.49
Packing Materials	189.26	112.33
Goods in Transit	-	60.38
<b>Total Inventories</b>	<b><u>8,886.16</u></b>	<b><u>7,345.40</u></b>
<b>9 Trade Receivables</b>		
Trade receivables from related parties (refer note "Related Party")	-	-
Trade receivables from others	3,616.92	2,322.79
<b>Total Receivables</b>	<b><u>3,616.92</u></b>	<b><u>2,322.79</u></b>
<b>Break up of security details</b>		
Unsecured, considered good	3,616.92	2,322.79
Doubtful	-	-
<b>Total</b>	<b><u>3,616.92</u></b>	<b><u>2,322.79</u></b>
Allowance for doubtful debts (net)	-	-
<b>Total Trade Receivables</b>	<b><u>3,616.92</u></b>	<b><u>2,322.79</u></b>
<b>10 Cash and Cash Equivalents</b>		
Cash on hand	19.17	5.62
Balance with Banks		
In current accounts	7.97	14.69
In other deposit accounts original maturity of 3 months or less	6.88	1,909.65
<b>Total Cash and Cash Equivalents</b>	<b><u>34.03</u></b>	<b><u>1,929.95</u></b>
<b>11 Other Bank Balances</b>		
Deposits with original maturity of <3 mths but >12mths		
Margin Money Deposit	409.61	639.84
(Secured against Bank Guarantees/Letter of Credit)		
<b>Total Other Bank Balances</b>	<b><u>409.61</u></b>	<b><u>639.84</u></b>

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>12 Other Financial Assets</b>		
<b>Current</b>		
Interest Accrued	28.81	35.77
Insurance Claim Receivable	0.86	-
Deposit	64.56	110.36
<b>Derivatives designated as Hedge</b>		
Forward Contracts Receivable	25.36	39.18
Advances to Employees	9.90	1.34
<b>Total Current Other Financial Assets</b>	<b>129.50</b>	<b>186.64</b>

<b>13 Other Current Assets</b>		
Balance with Government Authorities	3,655.70	3,482.69
Prepaid Expenses	67.08	74.31
Advances to Suppliers	121.73	22.39
<b>Total Other Current Assets</b>	<b>3,844.51</b>	<b>3,579.39</b>

**14 Equity Share Capital**

**Particulars**

Particulars	Equity Shares		
	Number of shares	Par value (₹)	Amount
<b>Share Capital</b>			
<b>Authorised Share Capital</b>			
As at April 1, 2017	500.00	10.00	5,000.00
Increase / (decrease) during the year	-	-	-
<b>As at March 31, 2018</b>	<b>500.00</b>	<b>10.00</b>	<b>5,000.00</b>
Increase / (decrease) during the year	20.00	-	200.00
<b>As at March 31, 2019</b>	<b>520.00</b>	<b>10.00</b>	<b>5,200.00</b>

**i) Movement in equity shares capital**

**Issued, subscribed and paid up capital**

	Number of shares	Amount
As at April 1, 2018	449.52	4,495.22
Increase / (decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>449.52</b>	<b>4,495.22</b>

**ii) Terms and rights 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.

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

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**iii) Details of shareholders holding more than 5% shares in the Company**

<b>As at March 31, 2019</b>	<b>Number of shares</b>	<b>% holding</b>
<b>Equity shares held by</b>		
Gyanshankar Investment & Trading Co. Private Limited*	1,79,84,854	40.01%
Altura Capital Advisors LLP	79,65,042	17.72%
<b>As at March 31, 2018</b>		
<b>Equity shares held by</b>		
Gyanshankar Investment & Trading Co. Private Limited*	1,79,84,854	40.01%
Mentor Capital Limited	87,05,494	19.37%

**iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

<b>As at March 31, 2019</b>	<b>Number of shares</b>	<b>% holding</b>
<b>Associate</b>		
Gyanshankar Investment & Trading Co. Private Limited*	1,79,84,854	40.01%
<b>As at March 31, 2018</b>		
<b>Associate</b>		
Gyanshankar Investment & Trading Co. Private Limited*	1,79,84,854	40.01%

\* Gaji Merchantile Pvt Ltd has been merged with Gyanshankar Investment And Trading Co. Private Limited pursuant to the scheme of amalgamation as approved by NCLT vide its order dated 29.09.2017 received on 10.01.2018.

**v) Shares reserved for issue under Employee Stock Option Plan (ESOP):**

<b>As at March 31, 2019</b>	<b>Number of shares</b>	<b>Amounts</b>
Employee Stock Option Plan	20,98,500	1,888.65
<b>As at March 31, 2018</b>		
Employee Stock Option Plan	<b>20,98,500</b>	<b>1,888.65</b>

**For details of Employee Stock Option Plan, refer note 48**

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>15 Other Equity</b>		
(i) Capital Reserve	48.00	48.00
(ii) Securities Premium Account	8,141.80	8,141.80
(iii) ESOP Reserve	336.12	242.33
(iv) Retained Earnings	-3,050.34	1,401.23
<b>Total Other Equity</b>	<b><u>5,475.58</u></b>	<b><u>9,833.36</u></b>
<b>(i) Capital Reserve</b>		
Opening Balance	48.00	48.00
Current year transfer	-	-
<b>Closing Balance</b>	<b><u>48.00</u></b>	<b><u>48.00</u></b>
<b>(ii) Securities Premium Account</b>		
Opening Balance	8,141.80	8,141.80
Securities premium movement during the year.	-	-
Utilised against IPO expenses	-	-
<b>Closing Balance</b>	<b><u>8,141.80</u></b>	<b><u>8,141.80</u></b>

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

**(iii) ESOP Reserve**

Opening Balance	242.33	-
Reserve created during the Year	93.79	242.33
Transferred to General Reserve	-	-
<b>Closing Balance</b>	<b>336.12</b>	<b>242.33</b>

**(iv) Surplus**

Opening Balance	1,401.23	1,387.74
Profit for the year	-4,455.58	24.91
Item of other comprehensive income recognised directly in surplus	-	-
Remeasurements of post employment benefit obligations, net of tax	4.01	-11.43
<b>Closing Balance</b>	<b>-3,050.34</b>	<b>1,401.23</b>

**16 Borrowings**

**Non-Current Borrowings**

**Secured**

**Measured at amortised cost**

**Term loans from banks**

Rupee Term Loans	34,653.61	15,940.86
Foreign currency loan from Indian Bank (FCNR)	-	7,565.41
Buyers Credit	-	9,814.43
[Refer note (i) and (iii)]	34,653.61	33,320.70
Rupee Term Loan [Refer note (i) and (iv)]	971.93	1,000.00
Rupee Term Loan [Refer note (i) and (v)]	129.52	210.94
External Commercial Borrowings (ECB) [Refer note (i) and (vi)]	5,187.43	4,845.15
Rupee Term Loan [Refer note (ii) and (vii)]	-	20.13
Rupee Term Loan [Refer note (ii) and (viii)]	9.21	13.89

**Term loans from others**

Rupee Term Loan [Refer note (ii) and (ix)]	52.68	62.77
Rupee Term Loan [Refer note (ii) and (x)]	19.89	24.02

**Particulars**

**As at March 31, 2019**      **As at March 31, 2018**

**Unsecured**

Deferred payment liabilities (Refer Note (xi) below)	-	-
Sales Tax Loan	1,472.61	1,646.87

**Deposits**

Inter-corporate deposits	7,496.18	6,190.92
	<b>49,993.07</b>	<b>47,335.40</b>

Less: Current Maturities of long term debt

	14,211.53	3,965.02
<b>Total Non-Current Borrowings</b>	<b>35,781.54</b>	<b>43,370.38</b>

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**Notes**

**(i) Security:**

- a. First charge, ranking pari passu between term lenders by way of mortgage/hypothecation of entire immovable and moveable fixed assets of the Company related to expansion project situated at MIDC - Chalisgaon or wherever else;
- b. Second charge ranking pari passu between term lenders by way of hypothecation of entire current assets of the Company situated at MIDC - Chalisgaon, Atgaon or wherever else;
- c. Personal Guarantee of Managing Director.
- d. Corporate Guarantee of Gaji Mercantile Private Limited (Now merged with Gyanshankar Investment And Trading Co. Private Limited as approved by NCLT vide its order dated 29.09.2017 received on 10.01.2018)

Documents for security creation for External Commercial Borrowings (ECB) are yet to be executed.

**(ii) Security:**

The security is by hypothecation of respective Vehicle

**(iii) Repayment Schedule:**

The term loan is repayable in 20 equal Quarterly Installments. The first installment is payable after a period of 18 months from the date of C.O.D. (22nd Mar 2017) or as per sanction of the respective Lenders as may be modified from time to time.

**(iv) Repayment Schedule:**

The term loan is repayable in 10 quarterly instalments commencing from 31.05.2018.

**(v) Repayment Schedule:**

The term loan is repayable in 12 equal quarterly instalments commenced from 30.06.2017.

**(vi) Repayment Schedule:**

The term loan is repayable in 24 equal quarterly instalments commencing from June 2020

**(vii) Repayment Schedule:**

The loan is repayable in 84 equal monthly instalments commenced from 03.04.2016

**(viii) Repayment Schedule:**

The loan is repayable in 36 equal monthly instalments commenced from 05.01.2018.

**(ix) Repayment Schedule:**

The loan is repayable in 84 equal monthly instalments commenced from 16.10.2015

**(x) Repayment Schedule:**

The loan is repayable in 35 equal monthly instalments commenced from 02.08.2016

**(xi)** 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 for a period of 8 Years 9 Months from 01.05.2003 to 31.01.2012 is deferred (interest free). The deferred sales tax in respect of above is based upon the sales tax returns. The amount for each year deferred is payable in 5 equal annual installments from Financial Year 2014-15 to 2027-28.

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>17 Other Financial Liabilities</b>		
Other	325.00	325.00
<b>Total Other Financial Liabilities</b>	<b>325.00</b>	<b>325.00</b>
<b>18 Provisions</b>		
<b>Non-Current</b>		
<b>Employee Benefit Obligations</b>		
Gratuity	144.40	121.54
Leave encashment	29.29	21.78
<b>Total Non-Current Provisions</b>	<b>173.68</b>	<b>143.32</b>



**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>19 Current Borrowings</b>		
<b>Secured Loans from Banks (Refer note below)</b>		
<b>Measured at amortised cost</b>		
<b>Loan Repayable on demand from Banks</b>		
Cash credit / working capital demand loan from banks	11,024.15	4,226.62
Pre-shipment Credit (PCFC & EPC)	-	<b>915.29</b>
<b>Deposits</b>		
Current Inter-corporate deposits	-	
<b>Total Current Borrowings</b>	<b>11,024.15</b>	<b>5,141.91</b>

**Note:**

**Nature & Security for Current Borrowings**

(i) Cash Credit / Working Capital demand loan / Pre-shipment credit from Banks are secured by way of first charge on raw materials, goods in process, finished goods, stores and book debts and first charge on immovable and movable fixed assets at Atgaon and second charge on immovable and movable fixed assets at Chalisgaon both present and future of the Company. It is also secured by the personal guarantee of Managing Director and Corporate Guarantee of Gaji Mercantile Pvt. Limited (Merged with Gyanshankar Investment And Trading Co. Private Limited as approved by NCLT vide its order dated 29.09.2017 received on 10.01.2018)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>20 Trade Payables</b>		
<b>Current</b>		
Trade payables to micro and small enterprises (Refer Note No. 41)	271.93	-
Trade payables for acceptances	1,332.43	2,315.24
Trade payables to others	1,572.30	1,428.07
<b>Total Trade Payables</b>	<b>3,176.66</b>	<b>3,743.31</b>
<b>21 Other Financial Liabilities</b>		
<b>Current</b>		
Current maturities of long term debt	14,211.53	3,965.02
Capital creditors	544.98	1,029.62
<b>Derivatives designated as Hedge</b>		
Forward Contract Payable	-	48.36
<b>Total Other Financial Liabilities</b>	<b>14,756.51</b>	<b>5,043.00</b>
<b>22 Provisions</b>		
<b>Current</b>		
<b>Employee Benefit Obligations</b>		
Gratuity	15.31	26.01
Leave Encashment.	8.78	12.03
<b>Total Current Provisions</b>	<b>24.08</b>	<b>38.03</b>
<b>23 Other Current Liabilities</b>		
Advances from customers	798.66	546.03
Statutory amount payables	100.89	77.87
Employees dues payable	311.53	239.65
Outstanding expenses	248.52	231.88
<b>Total Other Current Liabilities</b>	<b>1,459.61</b>	<b>1,095.43</b>

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

<b>Particulars</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>24 Revenue from Operations</b>		
<b>Sale of Products</b>		
Finished goods	21,639.00	12,422.57
Traded goods	34.86	3,686.22
	<u><b>21,673.85</b></u>	<u><b>16,108.79</b></u>
<b>Other Operating Revenue</b>		
Scrap Sales	547.80	350.15
Export Benefits	628.91	241.00
Other Incentives	1,213.30	92.05
	<u><b>2,390.02</b></u>	<u><b>683.20</b></u>
<b>Total Revenue from Operations</b>	<u><b>24,063.88</b></u>	<u><b>16,791.99</b></u>
<b>25 Other Income</b>		
Interest Income	91.16	64.52
Forfeiture of Advance Money received	-	2,000.00
Profit on Sale of Fixed Assets	-	6.13
Employment Promotional Scheme	0.71	2.25
<b>Total Other Income</b>	<u><b>91.88</b></u>	<u><b>2,072.90</b></u>
<b>26 Cost of Materials Consumed</b>		
Inventory at the beginning of the year	3,334.41	2,519.84
Add: Purchases	16,664.97	10,347.83
Less : Inventory at the end of the year	3,464.71	3,334.41
<b>Total Cost of Materials Consumed</b>	<u><b>16,534.67</b></u>	<u><b>9,533.25</b></u>
<b>27 Purchases of Stock in Trade</b>		
Steel related products	35.19	3,681.62
<b>Total Purchases of Traded Goods</b>	<u><b>35.19</b></u>	<u><b>3,681.62</b></u>
<b>28 Changes in Inventories of Finished Goods, Work-in-Progress &amp; Stock-in-Trade</b>		
<b>Inventories at the beginning of the year</b>		
Finished goods	2,182.07	261.15
Work-in-progress	1,817.36	1,581.26
	<u><b>3,999.43</b></u>	<u><b>1,842.41</b></u>
<b>Inventories at the end of the year</b>		
Finished goods	3,203.60	2,182.07
Work-in-progress at year end	2,158.64	1,817.36
	<u><b>5,362.23</b></u>	<u><b>3,999.43</b></u>
Less : Increase /(decrease ) in excise duty on finished goods	-	-8.62
<b>Total Changes in Inventories of Finished Goods, Work-in-Progress &amp; Stock-in-Trade</b>	<u><b>-1,362.80</b></u>	<u><b>-2,165.65</b></u>

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29 Employee Benefits Expense</b>		
Salaries, wages, allowance and other benefits	2,901.27	1,217.02
Contribution to provident fund and other funds	115.44	30.40
Share Based Payment to Employees	93.79	242.33
Staff welfare expenses	5.82	6.78
<b>Total Employee Benefits Expense</b>	<b><u>3,116.32</u></b>	<b><u>1,496.53</u></b>
<b>30 Finance Costs</b>		
<b>Measured at Amortised Cost</b>		
Interest	7,162.00	2,201.50
Bank charges	138.61	230.53
Net loss / (gain) on foreign currency transaction and translation	-37.70	86.41
<b>Total Finance Costs</b>	<b><u>7,262.92</u></b>	<b><u>2,518.43</u></b>
<b>31 Depreciation and Amortisation Expense</b>		
Depreciation of property, plant and equipment	2,097.48	1,230.72
Amortisation of intangible assets	5.29	4.07
<b>Total Depreciation and Amortisation Expense</b>	<b><u>2,102.77</u></b>	<b><u>1,234.79</u></b>
<b>32 Other Expenses</b>		
Power & electricity charges	2,297.47	1,004.03
Freight forwarding charges	364.65	447.32
Rent rates & taxes (net)	148.66	84.53
Repair & maintenance	93.93	30.59
Commission	55.28	7.07
Travelling expense	141.39	93.58
Communication expenses	15.43	9.76
Printing & stationery	20.90	18.80
Professional fees & consultancy charges	233.03	65.37
Audit fees	30.49	20.28
Office & factory general expenses	122.89	78.30
Security charges	63.14	45.39
Inspection & testing charges	17.51	18.99
Insurance	52.03	34.07
Director sitting fees	3.88	2.95
Quantity discount on sales	23.65	-
Miscellaneous expenses	34.52	94.80
Loss on Sale of Fixed Assets	-	54.05
Advertisement Expenses	7.39	18.46
Amortisation of land lease premium	3.85	3.82
Waste Disposal Expenses	23.45	28.08
IPO Expenses	-	-
Transit house maintenance expenses	8.17	5.99
Processing fees	110.99	66.94
<b>Total Other Expenses</b>	<b><u>3,872.68</u></b>	<b><u>2,233.17</u></b>

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Note: Details of Payments to Auditors</b>		
<b>Payment to Auditors</b>		
<b>As Auditor:</b>		
Audit fee (Statutory & Tax Audit)	20.00	10.00
<b>Total Payment to Auditors</b>	<b>20.00</b>	<b>10.00</b>
<b>33 Tax Expenses</b>		
<b>(i) Income Tax Expenses</b>		
<b>Current Tax</b>		
Current tax on profit for the year	-	2.80
<b>Total Current Tax</b>	<b>-</b>	<b>2.80</b>
<b>Deferred Tax (Refer Note "Movement in Deferred Tax")</b>		
Decrease / (increase) in deferred tax assets (including tax credit)	-3,752.17	-795.10
(Decrease) / increase in deferred tax liabilities	801.75	800.70
<b>Total Deferred Tax Expenses / (Benefit)</b>	<b>-2,950.42</b>	<b>5.61</b>
<b>Total Income Tax Expenses</b>	<b>-2,950.42</b>	<b>8.41</b>
<b>(ii) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
Profit before tax	-7,406.00	30.52
Tax rate	-	0.19
<b>Tax at normal rate</b>	<b>-</b>	<b>5.82</b>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Remeasurements of post employment benefit obligations	-	-3.02
Impairment of Assets	-	-
Utilisation of IPO Expenses	-	-
Impact of Fair Valuation on security deposits	-	-
<b>Total Income Tax Expenses</b>	<b>-</b>	<b>2.80</b>
<b>34 Earnings Per Share</b>		
Profit attributable to the equity holders of the Company	-4,455.58	24.91
Weighted average number of equity shares	449.52	449.52
Basic and diluted earnings / (loss) per share	-9.91	0.06
<b>Nominal value of an equity share</b>	<b>10.00</b>	<b>10.00</b>

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

**35 Employee Benefit Obligation**

**(i) Leave Obligations**

The leave obligations cover the Company's liability for earned leave.

**(ii) Post-Employment Obligations - Gratuity**

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

**(iii) Balance Sheet Amounts**

**(a) Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Particulars	Present value of obligations (Unfunded)	Fair value of plan assets	Net amount
<b>April 01, 2017</b>	<b>104.17</b>	-	<b>104.17</b>
Current service cost	24.97	-	24.97
Interest expense/(income)	7.67	-	7.67
<b>Total amount recognised in profit or loss</b>	<b>32.64</b>	-	<b>32.64</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense	-	-	-
Loss / (gain) from experience adjustments	-4.77	-	-4.77
Loss / (gain) from change in financial assumptions	20.60	-	20.60
<b>Total amount recognised in other comprehensive income</b>	<b>15.83</b>	-	<b>15.83</b>
Employer's contribution	-	-	-
Benefit payment	(5.10)	-	(5.10)
<b>March 31, 2018</b>	<b>147.54</b>	-	<b>147.54</b>
<b>April 01, 2018</b>	<b>147.54</b>	-	<b>147.54</b>
Current service cost	21.55	-	21.55
Interest expense/(income)	11.41	-	11.41
<b>Total amount recognised in profit or loss</b>	<b>32.96</b>	-	<b>32.96</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense			
Loss / (gain) from experience adjustments	(8.34)	-	(8.34)
Loss / (gain) from change in financial assumptions	5.16	-	5.16
<b>Total amount recognised in other comprehensive income</b>	<b>-3.18</b>	-	<b>-3.18</b>
Employer's contribution			
Benefit payment	(17.62)	-	(17.62)
<b>March 31, 2019</b>	<b>159.70</b>	-	<b>159.70</b>

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**(b) Leave Encashment**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Particulars	Present value of obligations (Unfunded)	Fair value of plan assets	Net amount
<b>April 01, 2017</b>	<b>21.36</b>	-	<b>21.36</b>
Current service cost	11.49	-	11.49
Interest expense/(income)	1.57	-	1.57
<b>Total amount recognised in profit or loss</b>	<b>13.07</b>	-	<b>13.07</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense			
Loss / (gain) from experience adjustments	(3.95)	-	(3.95)
Loss / (gain) from change in financial assumptions	4.04	-	4.04
<b>Total amount recognised in other comprehensive income</b>	<b>0.09</b>	-	<b>0.09</b>
Employer's contribution			
Benefit payment	(0.72)	-	(0.72)
<b>March 31, 2018</b>	<b>33.80</b>	-	<b>33.80</b>
<b>April 01, 2018</b>	<b>33.80</b>	-	<b>33.80</b>
Current service cost	11.88	-	11.88
Interest expense/(income)	2.61	-	2.61
<b>Total amount recognised in profit or loss</b>	<b>14.49</b>	-	<b>14.49</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense			
Loss / (gain) from experience adjustments	(7.13)	-	(7.13)
Loss / (gain) from change in financial assumptions	3.08	-	3.08
<b>Total amount recognised in other comprehensive income</b>	<b>-4.05</b>	-	<b>-4.05</b>
Employer's contribution			
Benefit payment	(6.18)	-	(6.18)
<b>March 31, 2019</b>	<b>38.06</b>	-	<b>38.06</b>

**(iv) Significant actuarial assumptions are as follows:**

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.65%	7.73%
Salary growth rate	5.00%	5.00%

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

**(a) Gratuity**

Assumptions	Change in assumption (%)		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	0.50%	0.50%	(4.69)	(0.77)	4.98	0.72
Salary growth rate	0.50%	0.50%	5.09	0.47	(4.83)	(0.52)

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

**(b) Leave Encashment**

Assumptions	Change in assumption (%)		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	0.50%	0.50%	(0.95)	(1.04)	0.87	(0.64)
Salary growth rate	0.50%	0.50%	0.89	(0.71)	(0.97)	(0.97)

**(vi) Risk exposure**

Valuations are based on certain assumptions, which are dynamic in nature & vary over time. As such company is exposed to various risks such as salary increases, investment risks, discount rate, mortality & disability & withdrawals.

**(vii) Defined benefit liability**

The expected maturity analysis of undiscounted gratuity benefits is as follows:

Defined benefit obligations	Gratuity	Leave Encashment
<b>March 31, 2019</b>		
<b>Year Ending</b>		
March 31, 2020	60.83	9.54
March 31, 2021	46.55	8.57
March 31, 2022	59.72	20.78
March 31, 2023	69.22	7.54
March 31, 2024	82.02	7.88
<b>March 31, 2018</b>		
<b>Year Ending</b>		
March 31, 2019	49.56	7.65
March 31, 2020	42.23	5.58
March 31, 2021	40.33	5.06
March 31, 2022	56.53	5.17
March 31, 2023	53.03	4.76

**36 Movement in Deferred Tax Liabilities and Deferred Tax Assets:**

Particulars	Deferred tax liabilities		Deferred tax assets				Tax credit (minimum alternative tax)	Net deferred tax liabilities/ Assets
	Property, plant and equipment	Total deferred tax liabilities	Employee benefit obligations	Unabsorbed business losses	Remeasurement of employee benefit obligations	Total deferred tax assets		
As at March 31, 2018	2,767.90	2,767.90	87.83	2,046.81	4.72	2,139.36	214.57	413.97
Charged/ (credited) to profit and loss	801.75	801.75	-12.86	3,765.03	-	3,752.17	-	-2,950.42
to other comprehensive income	-	-	-	-	0.83	0.83	-	-0.83
As at March 31, 2019	3,569.65	3,569.65	74.97	5,811.84	5.55	5,892.36	214.57	-2,537.28

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**37 Fair Value Measurements**

**Financial instruments by category**

**Particulars**

	As at March 31, 2019		As at March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial Assets</b>				
<b>Non-Current</b>				
<b>Other Financial Assets</b>				
Term deposits with more than 12 months maturity	-	72.81	-	25.31
<b>Current</b>				
Trade Receivables	-	3,616.92	-	2,322.79
Cash and Cash Equivalents	-	34.03	-	1,929.95
Other Bank Balances	-	409.61	-	639.84
<b>Other Financial Assets</b>				
Interest Accrued	-	28.81	-	35.77
Insurance Claim Receivable	-	0.86	-	-
Deposit	-	64.56	-	110.36
<b>Derivatives designated as Hedge</b>				
Forward Contracts Receivable	-	25.36	-	39.18
Advances to Employees	-	9.90	-	1.34
Other Advances	-	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>4,262.87</b>	<b>-</b>	<b>5,104.53</b>
<b>Financial Liabilities</b>				
<b>Non-Current</b>				
Borrowings	-	35,781.54	-	43,370.38
<b>Other Financial Liabilities</b>				
Other	-	325.00	-	325.00
<b>Current</b>				
Borrowings	-	11,024.15	-	5,141.91
Trade Payables	-	3,176.66	-	3,743.31
Other Financial Liabilities	-	14,756.51	-	5,043.00
<b>Total Financial Liabilities</b>	<b>-</b>	<b>65,063.86</b>	<b>-</b>	<b>57,623.61</b>

**38 Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk and market risk.

**(I) Credit risk**

“Credit risk is the risk that counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.”

**a) Trade receivables**

Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The company uses a simplified approach as per Ind AS 109 and an impairment analysis is performed at each reporting date on an individual basis for significant clients.



**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**(II) Liquidity risk**

The Company maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans (comprising the undrawn borrowing facilities below) by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**a) Financing arrangements**

The Company had access to the following undrawn borrowing facilities for working capital at the end of the reporting period:

	As at March 31, 2019	As at March 31, 2018
<b>Floating rate</b>		
Expiring within one year	-	358.09
<b>Total</b>	-	<b>358.09</b>

**b) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non derivative financial liabilities and derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

**As at March 31, 2019**

Contractual maturities of financial liabilities	< 1 Year	2 - 3 years	4 - 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Borrowings	14,211.53	14,925.00	9,975.00	1,725.00	40,836.53	40,836.53
Trade payables	3,176.66		-	-	3,176.66	3,176.66
Other financial liabilities	544.98	325.00	-	-	869.98	869.98
<b>Total non-derivative liabilities</b>	<u>17,933.17</u>	<u>15,250.00</u>	<u>9,975.00</u>	<u>1,725.00</u>	<u>44,883.17</u>	<u>44,883.17</u>

**As at March 31, 2018**

Contractual maturities of financial liabilities	< 1 Year	2 - 3 years	4 - 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Borrowings	9,106.93	17,927.13	15,375.52	10,067.74	52,477.31	52,477.31
Trade payables	4,129.31	-	-	-	4,129.31	4,129.31
Other financial liabilities	1,402.98	-	-	-	1,402.98	1,402.98
<b>Total non-derivative liabilities</b>	<u>14,639.22</u>	<u>17,927.13</u>	<u>15,375.52</u>	<u>10,067.74</u>	<u>58,009.61</u>	<u>58,009.61</u>

**(III) Market risk - foreign currency risk**

The Company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables.

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**Foreign currency risk exposure**

**a) Foreign currency risk exposure**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	(Amount in Thousands)				
	As at March 31, 2019			As at March 31, 2018	
	USD	EUR	GBP	USD	EUR
<b>Financial assets</b>					
Trade receivables	744.97	-	-	382.39	518.38
Advance to suppliers	730.63	-	-	-	-
<b>Derivatives designated as hedges</b>					
Forward contracts	-1,518.06	-	-	-	-1,635.66
<b>Net exposure to foreign currency risk (assets)</b>	<b>-42.45</b>	<b>-</b>	<b>-</b>	<b>382.39</b>	<b>-1,117.28</b>
<b>Financial liabilities</b>					
Borrowing	7,500.00	-	-	27,215.94	7,068.41
Trade payables	762.00	6.45	0.51	910.27	15.75
Trade Advances	4.66	-	-	19.03	32.95
<b>Derivatives designated as hedges</b>					
Forward contracts	-	-	-	-15,581.07	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>8,266.65</b>	<b>6.45</b>	<b>0.51</b>	<b>12,564.16</b>	<b>7,117.11</b>
<b>Net Unhedged Foreign Currency Exposure</b>	<b>(8,309.10)</b>	<b>(6.45)</b>	<b>(0.51)</b>	<b>(12,181.77)</b>	<b>(8,234.39)</b>

**b) As at the balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise:**

Particulars	Amount in Rupees		Equivalent amount in USD (in thousands)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	<b>Assets</b>			
Trade receivables	515.31	625.27	744.97	961.30
Advance to suppliers	-	-	-	-
	<b>515.31</b>	<b>625.27</b>	<b>744.97</b>	<b>961.30</b>
<b>Liabilities</b>				
Borrowing	5,187.85	23,098.67	7,500.00	35,512.33
Trade payables	527.08	604.77	762.00	929.79
Other financial liabilities	-	-	-	-
Trade advances	3.22	38.97	4.66	59.91
	<b>5,718.15</b>	<b>23,742.42</b>	<b>8,266.65</b>	<b>36,502.03</b>
Less: Forward contracts (USD-INR)	-	10,137.61	-	15.59
Less: Forward contracts (EURO-INR)	-	-1,318.70	-	(2.03)
<b>Net unhedge foreign currency exposure</b>	<b>5,202.84</b>	<b>31,936.06</b>	<b>7,521.68</b>	<b>35,554.29</b>

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**c) Foreign currency sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

<b>Particulars</b>	<b>Net impact on profit before tax</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>USD sensitivity</b>		
INR/USD - Increase by 1% (March 31, 2018 - 1%)*	52.39	-43.27
INR/USD - Decrease by 1% (March 31, 2018 - 1%)*	(52.39)	43.27
<b>EURO sensitivity</b>		
INR/EURO - Increase by 1% (March 31, 2018 - 1%)*	21.67	-35.79
INR/EURO - Decrease by 1% (March 31, 2018 - 1%)*	(21.67)	35.79
* Holding all other variables constant		

**(IV) Market risk - interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company had borrowed funds at both fixed and floating interest rates. The Company's interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

**a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Fixed rate borrowings	3,777.87	2,424.98
Floating rate borrowings	55,766.73	48,405.46
<b>Total borrowings</b>	<b>59,544.60</b>	<b>50,830.44</b>

**b) Sensitivity**

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

<b>Particulars</b>	<b>Impact on profit before tax</b>	
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Interest rate increase by 10 basis points (March 31, 2018 - 10 basis points)*	5,954.46	5,083.04
Interest rate decrease by 10 basis points (March 31, 2018 - 10 basis points)*	(5,954.46)	(5,083.04)
* Holding all other variable constant		

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**39 Capital Management**

**(I) Risk management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio:

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Long term borrowings	35,781.54	43,370.38
Short term borrowings	11,024.15	5,141.91
Less: Cash and cash equivalent	(34.03)	(1,929.95)
Other Bank Balances	(409.61)	(639.84)
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	<u>46,362.05</u>	<u>45,942.51</u>
Total equity	9,970.81	14,328.58
<b>Net debt equity ratio</b>	<b>4.65</b>	<b>3.21</b>

**Loan covenants**

The Company has complied with all the loan covenants applicable, mainly debt service coverage ratio, debt equity ratio and fixed assets coverage ratio attached to the borrowings.

**40 Related Party Transactions**

**a) Key management personnel**

<b>Name</b>	<b>Nature of relationship</b>
Mr. Murarilal Mittal	Managing Director
Mr. Sushil Radheyshyam Sharda	Whole Time Director
Mr. Sumit Kumar Modak	Whole Time Director
Mr. Venkateshwara Rao Kandikuppa	Whole Time Director
Mr. Mayank Mittal	Joint Managing Director
Mr. M S Arora	Chief Executive Officer
Mr. Rakesh Kumar Jain	Chief Financial Officer
Mr. Shailesh Rakhasiya	Company Secretary

**b) List of Others over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year:**

Gyanshankar Investment & Trading Co. Pvt. Ltd  
 Stellar Credit and E-Trading Pvt Ltd till 10.01.2018 (Refer note on Amalgamation below)  
 Treezec E- Solutions Pvt Ltd

**c) Relatives of Key Management Personnel**

Mr. Manan Mittal  
 Dr. Sharwan Kumar Mittal

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in rupees lakhs, unless otherwise stated)

**d) Disclosure in respect of significant transactions with related parties during the year:**

Particulars	Transactions	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>1) Key management personnel compensation</b>		
Mr. Murarilal Mittal	80.00	80.00
Mr. Sushil Radheyshyam Sharda	36.29	36.29
Mr. Sumit Kumar Modak	38.30	37.93
Mr. Venkateshwara Rao Kandikuppa	21.88	20.29
Mr. Mayank Mittal	75.40	75.40
Mr. M S Arora	73.07	67.10
Mr. Rakesh Kumar Jain	24.60	22.09
Mr. Shailesh Rakhasiya	7.56	5.60
<b>Total key management personnel compensation</b>	<b>357.09</b>	<b>344.69</b>
<b>2) Remuneration to Relative</b>		
Mr. Manan Mittal	6.00	6.00
Dr. Sharwan Kumar Mittal	9.00	9.00
<b>Total remuneration to Relative</b>	<b>15.00</b>	<b>15.00</b>
<b>3) Intercorporate Deposits taken/(paid) during the year</b>		
Stellar Credit and E-Trading Pvt. Ltd. (Refer note on amalgamation below)	-	(1,863.00)
Gyanshankar Investment & Trading Co. Pvt. Ltd	(125.25)	2,554.00
<b>Total Intercorporate Deposits taken/(paid) during the year</b>	<b>(125.25)</b>	<b>691.00</b>
<b>4) Interest Expense on Intercorporate Deposits</b>		
Gyanshankar Investment & Trading Co. Pvt. Ltd	335.93	293.06
<b>Total Interest Expense on Intercorporate Deposits</b>	<b>335.93</b>	<b>293.06</b>
<b>5) Purchase of Services</b>		
Treezec E- Solutions Pvt Ltd	14.57	-
<b>Total Purchase of Services</b>	<b>14.57</b>	<b>-</b>
<b>6) Purchase of Software/ Licenses</b>		
Treezec E- Solutions Pvt Ltd	12.56	-
<b>Total Purchase of Services</b>	<b>12.56</b>	<b>-</b>
<b>7) Balance outstanding at the end of the year:</b>		
Gyanshankar Investment & Trading Co. Pvt. Ltd	3,497.75	3,623.00
<b>Total Balance outstanding at the end of the year:</b>	<b>3,497.75</b>	<b>3,623.00</b>

**Note of Amlagamation:**

\* Gaji Merchantile Pvt Ltd and Stellar Credit and E-Trading Pvt Ltd has been merged with Gyanshankar Investment And Trading Co. Private Limited pursuant to the scheme of amalgamation as approved by NCLT vide its order dated 29.09.2017 received on 10.01.2018.

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**41 Micro, Small and Medium Enterprises Development Act, 2016**

No Interest is paid / payable during the year to any enterprise registered under Micro Small and Medium Enterprises Development Act, 2006 ( MSMED). The information has been determined to the extent such parties could be identified on the basis of the status of suppliers under MSMED.

**42** The Company has filed an application on December 06,2018 to the bankers requesting restructuring of Term Loans . This application for restructuring is pending for consideration by the Consortium. Overdue amount towards outstanding principal and interest is Rs. 7081.63 Lakhs as at March 31, 2019

**43 Contingent liabilities**

i) The Company has contingent liabilities as at the year end in respect of:

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Disputed direct taxes	173.52	77.46
Disputed indirect taxes	18.54	18.54

It is not practicable for the Company to estimate the timings of cash outflows if any in respect of above pending resolution of the respective proceedings.

The Company does not expect any re-imbursments in respect of the above contingent liabilities.

**44 Capital and other commitments**

**i) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	<b>As at March 31 2019</b>	<b>As at March 31 2018</b>
Property plant and equipment	775.00	607.42
Intangible assets under development	20.00	20.00

**ii) Other commitments**

<b>Particulars</b>	<b>As at March 31 2019</b>	<b>As at March 31 2018</b>
Performance Guarantees / Bid bond given by Banks to Company's customers / government authorities etc	505.06	462.30
Letter of Credit outstanding for Import of Raw Materials	-	2,835.11
In accordance with the EPCG Scheme imports of Capital goods are allowed to be made duty free subject to the condition that the Company shall fulfil in future a specified amount of Export obligation within a specified time. Amount of Export obligation yet to be fulfilled by the Company as at 31 March 2019 is Rs 82,62,73,967 (Previous year - Rs 2,66,20,37,201). Amount of Duty Saved on above	1,377.12	4,436.73
In accordance with the Advance License, imports of Raw Materials are allowed to be made duty free subject to the condition that the Company shall fulfil in future a specified amount of Export obligation within a specified time. Amount of Export obligation yet to be fulfilled by the Company as at 31 March 2019 is Rs 8,76,25,342 (Previous year - NIL) Amount of Duty Saved on above	202.95	-

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

**45 Operating lease**

The Company has operating leases for premises and vehicles. These lease arrangements range for a period within one year to three years. The leases have varying terms, escalation clauses and renewal rights.

i) Rent expense with respect to all operating leases:

<b>Particulars</b>	<b>Year ended March 31 2019</b>
Lease payment recognised in the statement of profit and loss during the year	76.11

ii) With respect to non-cancellable operating leases the future minimum lease payments are as follows:

<b>Particulars</b>	<b>As at March 31 2019</b>	<b>As at March 31 2018</b>
Not later than one year	0.03	0.11
Later than one year but not later than five years	-	0.03

**46** The Company was awarded a arbitral award ( "the Award") for the sum of Rs. 114.78 Lakhs from the Central Organisation Railway Electrification ("CORE") and Rs. 0.98 Lakhs towards cost of the Company through Arbitration Order dated January 19, 2014. CORE has filed an Arbitration Case No. 478 of 2014 before Court of District Judge Allahabad for setting aside the Award and also allowing a sum of Rs. 120 Lakhs withheld by CORE from our Company towards the Risk Purchase Notice. Our Company has filed a Counter- Claim Petition in the said Arbitration case claiming from CORE the sum of Rs. 120 Lakhs plus a sum of Rs. 57.35 Lakhs being interest at the rate of 18% till date of filing.

**47** The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

**48 Details of Employee Stock Options**

During the year, the Company has granted Employee Stock Options (ESOP) under the Bharat Wire Ropes Limited Employee Stock Option Plan, 2017 " **BWR ESOP 2017**" or the "**Plan**" to the employees of the Company with a right to subscribe to equity shares ("New Options") at a price Rs. 90/-. The Salient features of the Scheme are as under:

**Vesting:** The Options so Granted will vest over a period of 4 years from the date of Grant in the following manner:

<b>Time Period of Vesting</b>	<b>Percentage of Options Vested</b>
After 1 year from the date of Grant	35%
After 2 years from the date of Grant	35%
After 3 years from the date of Grant	30%

Exercise – The Exercise Period pursuant to BWR Employee Stock Option Plan 2017 will be 1 year from the date of last vesting. The Grant of an Option shall entitle the holder of the option to apply for one Share in the Company at the Exercise Price. In the event of cessation of employment due to death, resignation or otherwise, the options may lapse or be exercisable in the manner specifically provided for in the scheme.

**NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are in rupees lakhs, unless otherwise stated)

Stock options outstanding as at the year end are as follows:

<b>Particulars</b>	<b>( Amt. in lakhs)</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Exercise price	Rs 90	Rs 90
Date of grant	10-April-2017	10-April-2017
Vesting period	4 Years	4 Years
Opening balance (Nos.)	20.99	-
Granted during the year (Nos.)	-	20.99
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
<b>Closing balance (Nos.)</b>	<b>20.99</b>	<b>20.99</b>

49 Previous year's figures have been regrouped or reclassified to conform with the current years' presentation wherever considered 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:

Place:

**Manging Director**

Murarilal Mittal  
DIN: 00010689

May 25, 2019

Mumbai

**For and on behalf of the Board of Directors**

**Whole Time Director**

Venkateswararao Kandikuppa  
DIN: 06456698

**Chief Financial Officer**

Rakesh Kumar Jain  
PAN: ABBPJ5834H

**Chief Executive Officer**

Mahender Singh Arora  
PAN : AABPA9704C

**Company Secretary**

Shailesh Rakhasiya  
PAN: ALUPR5390R



## NOTICE OF 33<sup>RD</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of Members of Bharat Wire Ropes Limited (“the Company”) will be held on **Wednesday, August 14, 2019 at 09.00 A.M.** at the Registered Office of the Company situated at Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India, to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors’ and Auditor’s thereon.
2. To appoint a Director in place of **Ms. Ruhi Mittal (DIN: 07159227)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment.
3. To consider and approve the appointment of statutory auditor of the Company and to fix their remuneration.

“**RESOLVED THAT** pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, **M/s. Sureka Associates**, Chartered Accountants, (Firm Registration No. **110640W**) be and is hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of 33<sup>rd</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting of the Company at a remuneration determined by the Board of Directors of the Company in consultation with Audit Committee.

**RESOLVED FURTHER THAT** Mr. Murarilal Mittal (Managing Director), Mr. Mayank Mittal (Joint Managing Director), Mr. Venkateswararao Kandikuppa (Whole - Time Director) or Mr. Shailesh Rakhasiya (Company Secretary & Compliance Officer) of the Company be and are hereby authorised to file necessary e-forms with Registrar of Companies for appointment of Statutory Auditor and to do all such other acts as may be necessary to give effect to the aforesaid resolution.”

### Special Business:

4. **To ratify the remuneration payable to M/s. Dilip M. Bathija (Firm Registration No. 100106), Cost Auditor of the Company for FY 2019-20:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the consent of the Company

be and is hereby given for payment of remuneration of 70,000/- (Rupees Seventy Thousand only) plus Goods & Service Tax & re-imbursment of out-of-pocket expenses for conducting audit of the cost records of the Company for the Financial Year 2019-20 to **M/s. Dilip M. Bathija**, Cost Accountants (Firm Registration No. **100106**) who was appointed as Cost Auditor of the Company by the Board of Directors at its meeting held on May 25, 2019.

**RESOLVED FURTHER THAT** Mr. Murarilal Mittal (Managing Director), Mr. Mayank Mittal (Joint Managing Director), Mr. Venkateswararao Kandikuppa (Whole - Time Director) or Mr. Shailesh Rakhasiya (Company Secretary & Compliance Officer) of the Company be and are hereby authorised to file necessary e-forms with Registrar of Companies for appointment of Cost Auditor by the Company and to do all such other acts as may be necessary to give effect to the aforesaid resolution.”

5. **To appoint Mr. Satyendra Nayak (DIN: 08194706) as an Independent Director:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 (“Act”) read with Schedule IV and other applicable provisions, if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or amendment thereof, for the time being in force) and on recommendation of Nomination and Remuneration Committee, **Mr. Satyendra Nayak (DIN: 08194706)** who was appointed as an Additional Director w.e.f. August 13, 2018 (Independent Director) and who holds office until the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from Members proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years i.e. up to August 12, 2023.”

**RESOLVED FURTHER THAT** Mr. Murarilal Mittal (Managing Director), Mr. Mayank Mittal (Joint Managing Director), Mr. Venkateswararao Kandikuppa (Whole - Time Director) or Mr. Shailesh Rakhasiya (Company Secretary & Compliance Officer) of the Company be and are hereby authorised to file necessary e-forms with Registrar of Companies for appointment of Independent director by the Company and to do all such other acts as may be necessary to give effect to the aforesaid resolution.”

6. **Service of documents under Section 20 of the Companies Act, 2013 and costs thereto:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, whereby a document may be served to any member by the Company through the requested mode of delivery, the consent of the Company be and is hereby accorded to charge from the member(s) the fees in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder(s) for delivery of such document(s) to him/her, through a particular mode of services, provided such request along with requisite fees has been duly received by the Company at least two weeks (2 weeks) in advance.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, director or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) and/or doubt(s) that may arise in respect of the said matter and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution.”

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

**Shailesh Rakhasiya**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS 32244**

**Place:** Mumbai  
**Date:** July 12, 2019

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 (“Act”), read with the applicable rules thereon, a person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other Member. A proxy form is attached hereto.
3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. The Notice is being sent to all the Members, whose names appeared in the Register of Members as on Friday, July 12, 2019. The Notice of the AGM is also posted on the website of the Company – <http://www.bharatwireropes.com>.
5. The relative Explanatory Statement pursuant to Section 102 of the Act and Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) in respect of Item Nos.3, 4, 5 and 6 are annexed hereto. Information under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations) and as required under the Secretarial Standard on General Meeting, relating to Directors proposed to be appointed / re-appointed is provided in the Annexure to this Notice.
6. Members who have not registered their email addresses so far are requested to register their email address for receiving all email communications including Annual Report, Notices, Circular’s etc. from the Company electronically.
7. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per Register of Members of the Company will be entitled to vote.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not

yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website <http://www.bharatwireropes.com/> (under ‘Investors Relation’). Members holding shares in physical form may submit the same to Company’s Registrar and Share Transfer Agent, Karvy Fintech Private Limited (“Karvy”). Members holding shares in electronic form may submit the same to their respective depository participant.

9. Members, Proxies and Authorised Representatives are requested to bring to the AGM, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP. ID and Client ID / Folio No.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office, on working days between 09.00 A.M. to 11.00 A.M., up to the date of this AGM.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent / Company.
12. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
13. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Karvy in case the shares are held by them in physical form.
14. In accordance with the Act read with the relevant Rules, the Notice of the AGM along with the Annual Report for financial year 2018-19 are sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Notice of the AGM along with the Annual Report will be available on the website of the Company (<http://www.bharatwireropes.com>).
15. Members holding shares in electronic form are requested to intimate immediately any change in their address or

bank mandates to their Depository Participants with whom they are maintaining their Demat accounts.

16. Members whose shareholding is in physical form are requested to immediately notify change in their address and bank account details, if any, to the Registrar and Transfer Agent of the Company, viz, Karvy.
17. The remote e-voting commences on 9.00 A.M. on Sunday, August 11, 2019 and will end at 5.00 P.M. on Tuesday, August 13, 2019. The Remote e-voting module shall be disabled by Karvy for voting thereafter. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Wednesday, August 7, 2019, may cast their vote electronically.
18. The voting rights shall be as per the number of equity shares held by the Member(s) as on Wednesday, August 7, 2019, i.e. cut-off date, and may cast their vote electronically. Members are eligible to cast vote only if they are holding shares as on that date. Any person who is not a Member as on the cut-off date should treat this Notice for information only.
19. Members who have cast their vote by remote e-Voting prior to the AGM are also eligible to attend the AGM but shall not be entitled to cast their vote again. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
20. The route map showing directions to reach the venue of the AGM is annexed.
21. The details of the process and manner of for remote e-voting are explained herein below:
  - A. In case of Member receiving email from Karvy
    - i) Launch an internet browser and open <https://evoting.karvy.com>
    - ii) Enter the login credentials (i.e. User ID and password).
    - iii) The Event No., Folio No. or DP ID-Client ID will be your User ID.

User – ID	For Members holding shares in Demat Form:
	For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	For CDSL: 16 Digits beneficiary ID
	For Members holding shares in Physical Form: Event no. followed by Folio Number registered with the Company
Password	Your unique password is printed overleaf / sent via email forwarded through the electronic notice
Captcha	Please enter the Verification code i.e., the alphabets and numbers in the exact way as they are displayed for security reasons.

- iv. After entering the above details click on – Login.
  - v. Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case if you forget it. It is strongly recommended that you do not share your password with anyone and that you should take utmost care to keep your password confidential. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the E-Voting Event.
  - vii. Select the EVENT of Bharat Wire Ropes Limited and click on ‘Submit’.
  - viii. Cast your vote by selecting appropriate option and click on ‘Submit’. Click on ‘OK’ when prompted.
  - ix. Upon confirmation, the message ‘Vote cast successfully’ will be displayed.
  - x. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at [mihenhalani@gmail.com](mailto:mihenhalani@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format ‘Corporate Name EVENT NO.’
  - xii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- B.** In case of Members receiving physical copy of the Notice of AGM and Attendance Slip:
- i. Initial password is provided in the enclosed notice which is as follows:

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>
-	-	-

- ii. Please follow all steps from Sr. No. (i) to Sr. No. (xii) above, to cast vote.
- 22. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if he/she is already registered with Karvy for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on the website of Karvy.
  - 23. The Board of Directors of the Company has appointed M/s. Mihen Halani & Associates, Practicing Company Secretary, to act as Scrutinizer, to scrutinize the voting process at the AGM and remote e-voting process in a fair and transparent manner.
  - 24. The Scrutinizer, immediately after the conclusion of voting at the AGM, count the votes casted at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and submit the same not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Board of Directors or a person authorised by them in writing who shall countersign the same.
  - 25. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.bharatwireropes.com](http://www.bharatwireropes.com) and on the website of Karvy at <https://evoting.karvy.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The resolution shall be deemed to be passed on the date of the AGM subject to receipt of sufficient votes.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 (5) OF THE SEBI ((LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No. 3**

Based on the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on May 25, 2019 had approved the appointment of M/s. Sureka Associates, Chartered Accountants, (Firm Registration No. 110640W) as the statutory auditor of the Company for second term subject to approval of members in 33<sup>rd</sup> Annual General Meeting at a remuneration plus Goods & Service Tax & re-imbursement of out-of-pocket expenses in connection with the audit as determined by the Board of Directors of the Company in consultation with Audit Committee.

Name of the Auditor	M/s. Sureka Associates, Chartered Accountants, (Firm Registration No. 110640W)
Terms of Appointment	For One Financial Year (i.e. F.Y. 2019-20)
Brief Credentials of the Auditor	A firm of Chartered Accountants having been established in the year 1982, serving in various industries such as Manufacturing, Retail, Information Technology, Logistics, Banking sector, Pharma, Registrar & Share Transfer Agent, Energy, Education, etc., in the area of Statutory Audit, Tax Audit, GST Audit, VAT Audit, Internal Audit, Concurrent Audit.

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 3 of the accompanying Notice for member(s) approval.

None of the Directors, Key Managerial Personnel and their relatives and his relatives, are in any way, concerned or interested either financially or otherwise in the said resolution.

**Item No. 4**

The Board of Directors at its meeting held on May 25, 2019, on the recommendations of the Audit Committee, had approved the appointment and remuneration of **M/s. Dilip M. Bathija**, Cost Accountants (Firm Registration No. 100106), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year 2019 - 20, at a remuneration not exceeding Rs. 70,000/- (Rupees Seventy Thousand only) plus Goods & Service Tax & re-imbursement of out-of-pocket expenses in connection with the audit.

**M/s. Dilip M. Bathija** have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959. In accordance with the provisions of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re – enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives and his relatives, are in any way, concerned or interested either financially or otherwise in the said resolution.

**Item No. 5**

**Appointment of Mr. Satyendra Nayak (DIN: 08194706) as an Independent Director:**

In accordance with the provisions of Sections 149, 152 the Companies Act, 2013 ("Act") read with Schedule IV and other applicable provisions, if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any modification or amendment thereof, appointment of an Independent Director requires approval of Members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company ("Board") had appointed **Mr. Satyendra Nayak (DIN: 08194706)** as an Additional Director (Independent Director) of the Company w.e.f. August 13, 2018 to hold the office until the conclusion of this AGM. The Board recommends the Members of the Company to appoint Mr. Satyendra Nayak as an Independent Director of the Company for a term of 5 (five) consecutive years i.e. upto August 12, 2023.

The Company has received a declaration from Mr. Satyendra Nayak confirming that he meets the criteria of independence as prescribed under Section 149(6) the Act, and Listing Regulations and he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of Board, **Mr. Satyendra Nayak** fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Also, the Company has received a notice in writing under Section 160 of the Act from Members proposing his candidature for the office of Director.

None of the Directors, Key Managerial Personnel and their relatives, except **Mr. Satyendra Nayak** and his relatives, are in any way, concerned or interested either financially or otherwise in the said resolution.

**Item No. 6**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served to any member by sending it to him by registered post, by speed post, by courier, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 6 of the accompanying Notice for member(s) approval.

None of the Directors, Key Managerial Personnel and their relatives and his relatives, are in any way, concerned or interested either financially or otherwise in the said resolution.

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

**Shailesh Rakhasiya**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS 32244**

**Place:** Mumbai  
**Date:** July 12, 2019

Annexure A

**BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING**

Particulars	Ms. Ruhi Mittal (DIN: 07159227)
Date of Birth	October 1, 1980
Age	38 years
Date of the first appointment on the Board	April 16, 2015
Qualifications	LLM, MBA
Expertise in specified field	Having expertise in the field of Law, Management (Human Resources) and Corporate Legal.
Number of Board Meetings attended in the Financial Year. 2018-19 as on the date of the Notice	2 (Two)
Directorships held in other Listed Companies (Excluding foreign Companies and Section 8 Companies)	NIL
Memberships/ Chairmanships of committees across all other public companies (Includes only Audit and Shareholders' Relationship Committee)	Bharat Wire Ropes Limited: Stakeholders Relationship Committee.
Shareholding in the Company as on March 31, 2019	NIL
Relationship with Directors, Managers and Key Managerial Personnel	None
Terms & Conditions of appointment or re-appointment	As per the resolutions at item No. 2 of the Notice convening Annual General Meeting on August 14, 2019, Ms. Ruhi Mittal who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment

**BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING**

*(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings)*

Particulars	Mr. Satyendra Nayak (DIN: 08194706)
Date of Birth	March 22, 1949
Age	70 years
Date of the first appointment on the Board	August 13, 2018
Qualifications	Ph.D. in International Economics and Finance from the University of Bombay, India.
Experience	His experience stems from over 30 years of working in Banking and Mutual Fund industry, covering working in operations, international finance, project financing, foreign exchange, mutual fund management, equity and debt investments, portfolio management, and economic and investment research and strategy. Mr. Satyendra Nayak has served as Director on the Boards of Fulford India Ltd., Bombay Tyres International Ltd., Auto Corporation of Goa Ltd., Indus Capital Venture fund, ICDS Ltd., DCW Ltd., Banswara Syntex Ltd.
Number of Board Meetings attended in the Financial Year. 2018-19 as on the date of the Notice	2 (Two)
Directorships held in other Listed Companies (Excluding foreign Companies and Section 8 Companies)	NIL
Memberships/ Chairmanships of committees across all other public companies (Includes only Audit and Shareholders' Relationship Committee)	Bharat Wire Ropes Limited: 1. Audit Committee. 2. Nomination & Remuneration Committee.
Shareholding in the Company as on March 31, 2019	NIL
Relationship with Directors, Managers and Key Managerial Personnel	None
Terms & Conditions of appointment or re-appointment	As per the resolutions at item No. 5 of the Notice convening Annual General Meeting on August 14, 2019 read with explanatory statement thereto, Mr. Satyendra Nayak is proposed to be appointed as Independent Director of the Company.



# BHARAT WIRE ROPES LIMITED

CIN: L27200MH1986PLC040468

**Registered Office:** Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki,  
Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India

**Tel:** +91-022-66824600; **Fax:** +91-022-66824666

**Website:** [www.bharatwireropes.com](http://www.bharatwireropes.com); **E-mail id:** [investors@bharatwireropes.com](mailto:investors@bharatwireropes.com)

## Form No. MGT – 11

### PROXY FORM

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s):	
Registered Address:	
E-mail Id:	
Regd. Folio No. / DP Id / Client Id No.:	

I / We, being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1. Name:.....Address:.....

Email-ID:.....Signature:.....,or failing him/ her;

2. Name:.....Address:.....

Email-ID:.....Signature:.....,or failing him/ her;

3. Name:.....Address:.....

Email-ID:.....Signature:.....,or failing him/ her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Wednesday, August 14, 2019 at 09:00 A.M. at the Registered Office of the Company situated at Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India and at any adjournment thereof in respect of the following resolutions:

I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors' and Auditor's thereon;		
2.	To appoint a Director in place of <b>Ms. Ruhi Mittal (DIN: 07159227)</b> , who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment;		
3.	To consider and approve the appointment of statutory auditor of the Company and to fix their remuneration;		
4.	To ratify the remuneration payable to M/s. Dilip M. Bathija (Firm Registration No. 100106), Cost Auditor of the Company for FY 2019-20;		
5.	To appoint Mr. Satyendra Nayak (DIN: 08194706) as an Independent Director;		
6.	Service of documents under Section 20 of the Companies Act, 2013 and costs thereto;		

\* Please put a (√) in the appropriate column against the resolution as indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Affix Revenue Stamp
---------------------------

Signature of Shareholder(s) \_\_\_\_\_

1. \_\_\_\_\_  
Signature of first proxy holder

2. \_\_\_\_\_  
Signature of second proxy holder

3. \_\_\_\_\_  
Signature of third proxy holder

**Notes:**

1. This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





## BHARAT WIRE ROPES LIMITED

CIN: L27200MH1986PLC040468

**Registered Office:** Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India

**Tel:** +91-022-66824600; **Fax:** +91-022-66824666

**Website:** [www.bharatwireropes.com](http://www.bharatwireropes.com), **E-mail Id:** [investors@bharatwireropes.com](mailto:investors@bharatwireropes.com)

### ATTENDANCE SLIP

Sr. No. \_\_\_\_\_

33<sup>rd</sup> Annual General Meeting, Wednesday, August 14, 2019 at 09:00 A.M. at the Registered Office of the Company situated at Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India.

Name of Shareholder(s) / Proxy holder / Authorised Representative (in BLOCK LETTERS)	:	
Address	:	
Registered Folio No. / DP Id & Client Id No.	:	
No. of Shares held	:	

I/We hereby record my/our presence at the 33<sup>rd</sup> Annual General Meeting of the Company on Wednesday, August 14, 2019 at 09:00 A.M. at the Registered Office of the Company situated at Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India.

\_\_\_\_\_  
(Signature of Shareholder/Proxy holder/Authorised Representative)

**Notes:**

1. Only Member/Proxy holder/Authorised Representative can attend the Meeting.
2. Each equity share of the Company carries one vote.
3. Please fill this attendance slip and hand it over at the entrance of the hall.
4. Members are requested to bring their copies of the Annual Report to the AGM.

.....

### Electronic Voting Particulars

EVEN No. (Remote E-Voting Event Number)	USER ID	PASSWORD/PIN

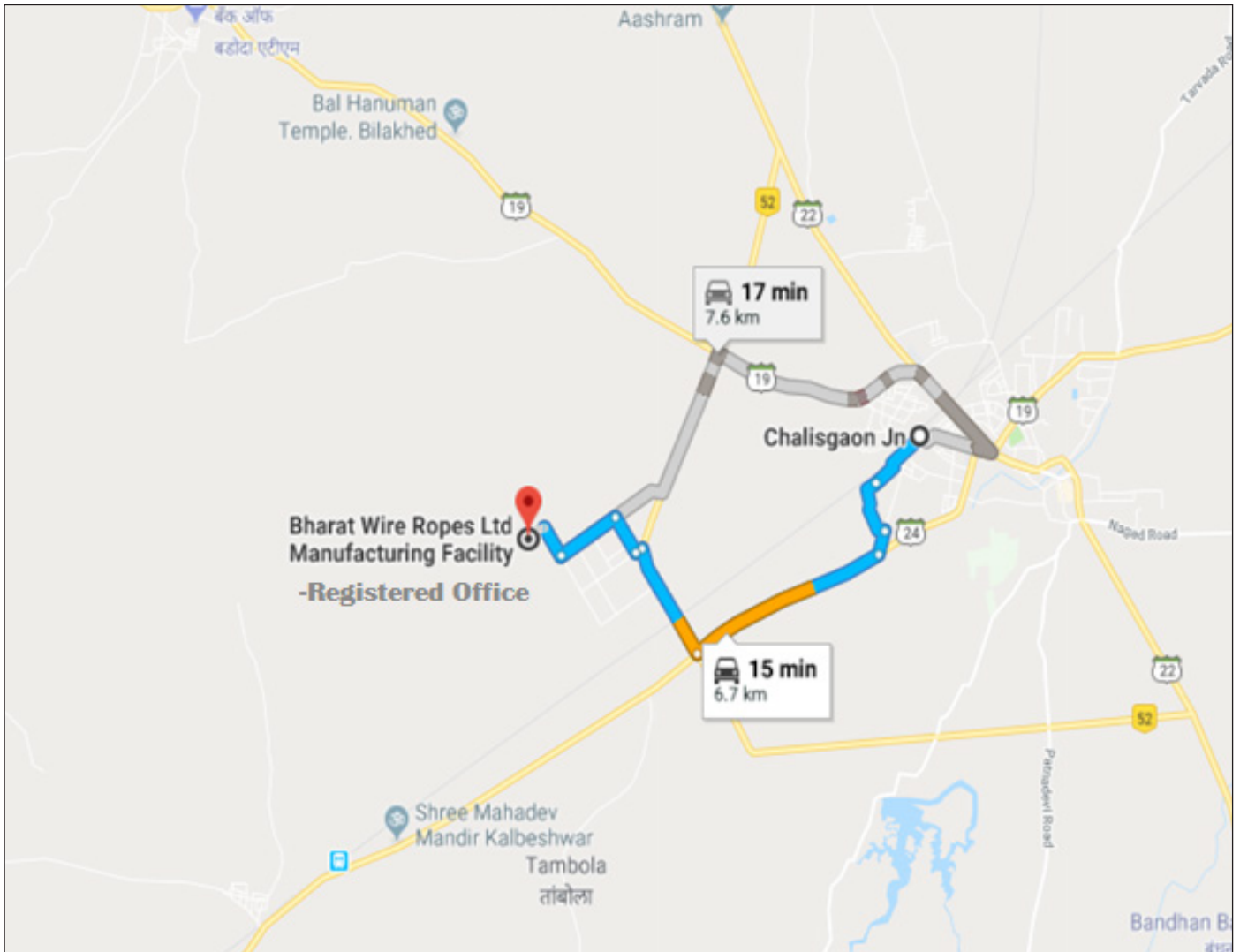
**Notes:**

1. Please read carefully the instructions printed under the Notes of the Notice of the 33<sup>rd</sup> Annual General Meeting before exercising the vote.
2. The remote e-voting commences from 09.00 A.M. on August 11, 2019 and will end at 05.00 P.M. on August 13, 2019. The Remote e-voting module shall be disabled by Karvy Fintech Private Limited for voting thereafter.

## ROUTE MAP TO THE 33<sup>RD</sup> ANNUAL GENERAL MEETING VENUE

**Address:** Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District – Jalgaon - 424 101, Maharashtra, India.

**Land mark:** Gujarat Ambuja Exports Ltd (Maize Processing Plant)



Distance from Chalisgaon Junction: 6.7 km



# BHARAT WIRE ROPES LTD.



## Registered Office & Factory:

Plot No.4, MIDC, Chalisgaon, Village Khadki – BK, Taluka Chalisgaon,  
District Jalgaon - 424 101, Maharashtra, India

## Corporate Office:

A-701, Trade World, Kamla City, Senapati Bapat Marg,  
Lower Parel (West), Mumbai-400013. India

**Tel.:** +91-22-66824600 • **Fax No.:** +91-22-66824666

CIN: L27200MH1986PLC040468



**Email :** [info@bharatwireropes.com](mailto:info@bharatwireropes.com)

[www.bharatwireropes.com](http://www.bharatwireropes.com)