BMWIL

BMW Industries Ltd

# ANNUAL REPORT

2017-18

# Corporate Information

CIN: L51109WB1981PLC034212

**BOARD OF DIRECTORS**

**Mr. Ram Gopal Bansal**
Chairman & Whole-time Director

**Mr. Harsh Kumar Bansal**
Managing Director

**Mr. Vivek Kumar Bansal**
Managing Director

**Mr. Debasish Basu**
Non-Executive Independent Director

**Mr. Ram Priya Sharan**
Non-Executive Independent Director

**Mr. Sunil Kumar Parik**
Non-Executive Independent Director

**Mrs. Gayatri Singh**
Non-Executive Independent Director

**CHIEF FINANCIAL OFFICER**
Mr. Abhishek Agarwal

**COMPANY SECRETARY**
Ms. Arbind Kumar Jain

**BANKERS**
Bank of Baroda
United Bank of India
State Bank of India
Bank of India

**STATUTORY AUDITORS**
Lodha & Co

**SECRETARIAL AUDITORS**
M/s. MKB & Associates

**COST AUDITORS**
Sohan Lal Jalan & Associates

**REGISTERED OFFICE**
119, Park Street
White House, 3rd Floor
Kolkata – 700 016
Website: www.bmwil.co.in

**REGISTRAR AND SHARE TRANSFER AGENT**
ABS Consultants Private Limited
Stephen House, Room No 99
6th Floor, 4 B. B. D. Bagh,
Kolkata – 700 001

**SOLICITORS & ADVOCATES**
L. P. Agarwalla & Co

## *DIRECTORS' REPORT*

Dear Members,

Your Directors are pleased to present the 36th (Thirty-Sixth) Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018.

**FINANCIAL HIGHLIGHTS**

Rupees in lakh

| Details | STANDALONE | |
|---|---|---|
| | FY 2017-18 | FY 2016-17 |
| Income from Operations | 96019.41 | 78333.02 |
| Profit before Depreciation, Finance Cost and Tax | 16581.07 | 12823.75 |
| Depreciation | 4758.96 | 4307.33 |
| Finance Costs | 4657.05 | 4173.90 |
| **Profit Before Tax** | 7165.07 | 4342.52 |
| Tax Expenses | 2051.63 | 951.39 |
| **Profit after Tax** | 5113.44 | 3391.13 |
| **Other Comprehensive Income** | 31.96 | (13.03) |
| **Total Comprehensive Income** | 5145.40 | 3378.09 |

**FINANCIAL PERFORMANCE HIGHLIGHTS**

The Company achieved a gross income of Rs.96019.41 Lakh as against Rs. 78333.02 Lakh in the previous financial year, recording an increase of about 23%. The Company has achieved a fabulous higher profit as compared to previous financial year. The Profit before Tax was Rs. 7165.07 Lakh as compared to Rs. Rs. 4342.52 Lakh in the previous year registering a growth of 65%. Similarly Profit After Tax has also increased to Rs. 5113.44 Lakh as against Rs. 3391.13 Lakh in the previous year reporting thereby a jump of over 50%.

**STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

Please refer to 'Management Discussion and Analysis Report' which forms part of the Annual Report.

## *DIRECTORS' REPORT*

Your Company has performed very well during the year under review. It has maintained the continuous growth perspective. There has been overall increase in Turnover, Profit before tax and Profit after Tax as well as operational performance. Your directors are pleased to inform you that during the year your company has set up new Rolling unit for production of TMT Re Bar under the Brand Name **"BANSAL SUPER"**. During the year under review the company has started setting up distribution Channel for its products. The Company has promoted branding of its products which has received a much favourable response from the market.

In the current year the directors are of the opinion that the performance of the company will be much better than the year under review as new TMT unit has commenced production and the product is in huge demand in the market . The distribution channel will be more strengthened and a move is derived to reach the ultimate consumer. The company will continue to contribute to its own growth and also to the growth of the economy and society at large.

**DIVIDEND**

The Board of Directors of the Company has approved the payment of 1st interim dividend of Re. 0.01 per equity share on December 7, 2017 and the same was paid to the eligible shareholders. No final dividend for the financial year 2017 -18 is recommended.

**TRANSFER TO GENERAL RESERVE**

The Board of Directors does not propose to transfer any fund to the General Reserve..

**SHARE CAPITAL**

The paid up Equity share capital of the Company as at 31st March, 2018 stood at Rs. 22.51 Crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March, 2018, none of the Directors of the Company holds instrument convertible into equity shares of the

Company. Your Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

**DEPOSITS**

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

**CHANGE IN NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of business of the Company during the financial year ended 31st March, 2018.

**LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**INDIAN ACCOUNTING STANDARDS (IND AS)**

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company is required to prepare financial statements under Indian Accounting Standards (IndAS) prescribed under section 133 of the Companies Act,2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2017. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

Accordingly the Company has adopted Indian Accounting Standard (Ind As) with effect from 1st April, 2017 and Financial Statements for the year ended 31st March, 2018 has been prepared in accordance with Ind AS.

## *DIRECTORS' REPORT*

The MCA notification also mandates that IND AS shall be applicable to subsidiary Companies, Joint Venture or associates of the Company. Hence the Company and BMW Industries Group have prepared and reported financial statements under IND AS w.e.f 1st April, 2017.

The effect of the transition from IGAAP to IND AS has been explained by way of the Standalone Financial Statements and Consolidated Financial Statements.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

**Retirement by Rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association of the Company, , Mr Ram Gopal Bansal ( DIN: 00144159) shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr Ram Gopal Bansal is not disqualified from being appointed as a Director as specified in terms of Section 164 (2) of the /companies Act, 2013 read with Rule 14(1) of Companies ( Appointment and Qualification of Directors ) Rules 2014.

The brief resume/details of Mr. Ram Gopal Bansal who is to be appointed as director are furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment of the said director at the ensuing AGM.

During the year under review Mr. Prahlad Kumar (DIN; 5174446) has resigned as director of the Company. The Board appreciated his contribution in the growth of the company.

During the year under review Ms. Sweta Prasad has resigned from the post of Company Secretary and in her place the Board has appointed Mr Arbind Kumar Jain as the Company Secretary of the Company.

# DIRECTORS' REPORT

**Disqualification of directors**

All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013 and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

**BOARD EVALUATION**

The Company has formulated a Policy for performance evaluation of Independent Directors, Board Committees and other Directors, by fixing certain criteria, which was approved by the Nomination and Remuneration Committee and adopted by the Board. The criteria for the evaluation include their functioning as Members of Board or Committees of the Directors included their contribution as well as Board composition, effectiveness of Board processes, information and functioning. The criteria for committee functioning includes effectiveness of committee meetings, performance review in accordance roles and responsibilities assigned. The criteria for evaluation of individual director included their contribution and preparedness for the issues discussed at the meetings. The Chairman was also evaluated with respect to his role. A structured questionnaire, evolved through discussions within the Board, has been used for this purpose. Further on the basis of recommendations of the Nomination and Remuneration Committee and the performance review by Independent Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. The Board was satisfied with the evaluation process.

**DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors of your Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTOR**

## *DIRECTORS' REPORT*

In terms of Regulation 25(7) of the SEBI (LODR) Regulations, 2015, your Company is required to conduct Familiarisation Programme for Independent Directors (Ids) to familiarise them about your Company including nature of Industry in which your company operates, business model, responsibilities of the Ids etc. Further, pursuant to Regulation 46 of the SEBI (LODR) Regulations, 2015, your Company is required to disseminate on its website, details of familiarization programmes imparted to the Ids including the Details of the same. During the year, the Company has organised one familiarisation Programme of the Independent Directors. The details of the familiarization programme of Independent Directors are provided in the Corporate Governance Report. The link to the details of familiarization programmes imparted to the Ids is **http://www.bmwil.co.in/img/pdfupload/conduct-28642895c4575e684e3ef4ca5ad3e0b46e53dc.pdf**

**REMUNERATION POLICY**

The Board has on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration Policy, which inter alia includes policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration. The remuneration policy of the Company aims to attract, retain and motivate qualified people at the Executive and at the Board levels. The remuneration policy seeks to employ people who not only fulfill the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The said Policy has been disclosed in the Corporate Governance Report, which forms part of this Annual Report and is also given on the website at its weblink i.e. **http://www.bmwil.co.in/img/pdfupload/conduct-5116335e89de53758f12245ef7863cdbacf404.pdf**

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors acknowledges the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and provisions of the SEBI (LODR) Regulations, 2015 and in the preparation of the annual accounts for the year ended 31st March, 2018 states that —

(a) in the preparation of the annual accounts, the applicable Indian accounting standards have been followed along with proper explanation relating to material departures;

(b) they 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 at the end of the financial year and of the profit of the company for the year;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

## THE BOARD OF DIRECTORS AND COMMITTEE

### Board of Directors

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. However, in case of special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. During the year under review, nine Board Meetings were convened the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 as well as the SEBI (LODR) Regulations, 2015.

### Committees of the Board

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Finance

Committee to work on areas specifically assigned to them by the Companies Act, 2013 and by the Board to perform.

The details of Committees, Their composition, terms of reference , date of meetings and attendance at the meeting have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

**MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which financial statements relates and the date of this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

The Audit Committee have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company 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.

An external independent firm carries out the internal audit of the Company operations and reports to the Audit Committee on a regular basis. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting.

## SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2018 the Company has nine subsidiaries .

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries forms part of the Annual Report. Further a statement containing the salient features of the financial statements of each of the subsidiaries, associates in the prescribed format Form AOC-1, forms part of the Annual Report. The annual accounts of the subsidiary companies will be made available to the shareholders on request and will also be kept for inspection by the shareholders at the registered office of your Company.

Further as per Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available at our website at www.bmwil.co.in

## CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and the Relevant Rules, the Board has constituted the Corporate Social Responsibility Committee to take care of initiative of the Company towards social responsibility. The Committee make plans for CSR activities and reviews the same from time to time. The Board of Directors have formulated a Corporate Social Responsibility Policy, The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

— Formulate and recommend to the Board, the CSR Policy

— Recommend the amount of expenditure to be incurred on the activities undertaken

— Monitor the CSR Policy of the Company from time to time

— Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities

— Review the Company's disclosure of CSR matters

The CSR Policy is available on Company's website at http://www.bmwil.co.in/img/pdfupload/conduct-20686988b18b2c19c7248e9f377a0a2f57f0df.pdf

The Company was required to spend 2% of the average net profit for the preceding three years and the company has spent the said amount the details of which are mentioned in " Annexure-A" to this Report.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The details required pursuant to the provisions of Section 134 (3) ( m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules , 2014, relating to conservation of energy, technology absorption and Foreign Exchange Earning and outgo form part the Board's Report and marked as "Annexure –B"

**AUDITORS**

**STATUTORY AUDITORS**

In accordance with Section 139 of the Companies Act, 2013 read with the Companies( Audit and Auditors Rules) 2014, M/s. Lodha & Co. Chartered Accountants ( Firm Registration Number 301051E) were appointed as Statutory Auditors of the Company for five years at the Annual General meeting of the company held on 18th September 2017.

In accordance with the provision of Companies Amendment Act 2017 enforced on 7th May, 2018, the requirement of ratification of appointment of Auditor at each Annual General Meeting has been done away with.

## *DIRECTORS' REPORT*

Auditor's Report on the Financial Statement for the financial year ended 31st March, 2018 forms part of this Annual Report. The Auditor's Report is self explanatory and does not contain any qualification or reservations or adverse remark or report of fraud.

**COST AUDITORS**

The Board of Directors of the Company appointed M/s Sohan Lal Jalan & Associates, Cost Accountants, ( Firm Registration Number 000521) as Cost Auditors of the Company for the financial year 2018-19 in accordance with Section 148 of the Companies Act, 2013 read with the Companies ( Cost Record & Audit) Rules 2014 at a remuneration of Rs. 150000/- plus applicable taxes and reimbursement of out of pocket expenses. The remuneration is required to be approved by the shareholders at the ensuing Annual General Meeting and a resolution to such effect is included in the notice of Annual General Meeting.

M/s Sohan Lal Jalan & Associates are also the Cost Auditors for the financial year 2017-18.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed M/s MKB & Associates, Company Secretaries (Firm Registration Number (P2010WB042700) a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Report of the Secretarial Audit is annexed herewith as "Annexure C". There are no qualifications in the Report.

**RELATED PARTY TRANSACTIONS**

As required under the SEBI (LODR) Regulations, 2015, related party transactions are placed before the Audit Committee for approval. Wherever required, prior approval of the Audit Committee is obtained on an omnibus basis for continuous transactions and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

All the related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 , there were no materially significant related party transaction which may have conflict with interest of the company or which are required to be reported in form AOC 2.

The Company has formulated a policy on related party transactions for purpose of identification and monitoring of such transactions. The said policy on related Party transactions as approved by the Board is posted at the Company's website at the **weblink http://www.bmwil.co.in/img/pdfupload/conduct-10029650a3ff8c8cada143431acb4821cc54c7.pdf**

The details of related party transaction entered during the year are provided in the Notes of Financial Statement.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form No. MGT - 9 is enclosed as "Annexure – D" placed on the website of the company.

**PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as "Annexure E" and forms part of the Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concern about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The details of the Whistle

Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at the **weblink** **http://www.bmwil.co.in/img/pdfupload/conduct-726504c7eaf1edb1466c58eb12e8c6955ed1c.pdf** During the year under review, no complaints have been received /reported.

## CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out by SEBI. The Company has also implemented several best corporate governance practices. The report on Corporate Governance as stipulated under Schedule V of the SEBI (LODR) Regulations, 2015 forms an integral part of this report.

## CODE OF CONDUCT

The declaration from Managing Director of the Company in respect of compliance of Code of conduct by the Board Members and Senior Management personnel forms part of the Annual Report

## CERTIFICATE ON CORPORATE GOVERNANCE

In Compliance with the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015 read with Schedule V of the said Regulations, the Corporate Governance Certificate regarding compliance with the conditions of Corporate Governance as stipulated forms part of the Annual Report.

Your Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The report on Management Discussion & Analysis Report as stipulated under Schedule V of the SEBI (LODR) Regulations, 2015 forms an integral part of this report.

# DIRECTORS' REPORT

## CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO/CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

## RISK MANAGEMENT POLICY

Your Company's risk management strategy strives to balance the tradeoff between risk and return and ensure optimal risk-adjusted return on capital, and entails independent identification, measurement and management of risks across the various businesses of your Company.

The Company has formulated a Risk Assessment & Management Policy which identify, evaluate business risks and opportunities. The risk management system of the Company is reviewed by the Audit Committee and the Board of Directors on a regular basis. During the year, no major risks were noticed, which may threaten the existence of the company.

The details of the same are covered in the Corporate Governance Report forming part of the Board's Report.

## GREEN INITIATIVES IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders, wherever available. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

## HUMAN RESOURCES

## *DIRECTORS' REPORT*

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of BMW Industries Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective, your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company is committed to provide a safe and secure environment to its women employees across its functions, as they are considered as integral and important part of the Organisation. Your company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There was no case of sexual harassment reported during the year under review.

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to thank the Regulatory and Government Authorities, Bankers, Business Associates, Shareholders and the Customers of the Company for their continued support to the Company. The Directors express their deep sense of appreciation towards all the employees and staff of the Company and wish the management all the best for achieving greater heights in the future.

**For and on behalf of the Board**

| | | |
|---|---|---|
| | SD/- | SD/- |
| | **Ram Gopal Bansal** | **Harsh Kumar Bansal** |
| Place: Kolkata | **Chairman** | **Managing Director** |
| Date: 22nd May, 2018 | **DIN: 00144159** | **DIN: 00137014** |

<u>**Annexure 'A' to Board's Report**</u>

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder)

**1. A brief outline on the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Policy on CSR and projects or programs**

In line with the provisions of the Companies Act, 2013, the Company has framed its CSR Policy towards enhancing welfare measures of the society and the same has been approved by the CSR Committee of the Board. The Company would also give preference to the local areas and areas around the Company for spending the earmarked for CSR activities. The Company has proposed to undertake activities promoting education and health care.

**Web-link of the CSR Policy:**

The Policy on CSR adopted by the Company may be referred to, at the web-link

http://www.bmwil.co.in/img/pdfupload/conduct20686988b18b2e19c7248e9f377a0a2f57f0df.pdf

**2. The Composition of the CSR Committee as on 31st March, 2018**

| Sl. No. | Name of Members | Category |
|---|---|---|
| 1. | Mr. Harsh Kumar Bansal | Managing Director and Chairman of the Committee |
| 2. | Mr. Debasish Basu | Independent, Non-Executive Director –Member |
| 3. | Mr. Rampriya Sharan | Independent, Non-Executive Director- Member |

**3. Average net profit of the Company for last three financial years**

Average Net Profit of the Company for the last three financial years is Rs. 3,987.53 Lakh.

**4. Prescribed CSR expenditure (2% of the amount as in item no. 3 above)**

The prescribed CSR expenditure at 2% of the Net Profit as in Item No 3 above is Rs. 79.75 Lakh.

**5. Details of CSR activities / projects undertaken during the financial year**

a) Total amount to be spent for the FY 2017-18: Rs. 79.75 Lakh

b) Amount unspent, if any: Nil

c) Manner in which the amount spent during the FY 2017-18:

*(Rs. In Lakh)*

| Sl. No | CSR Project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area or other 2) The State and district where the project or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto the reporting period i.e. FY 2017-2018 | Amount spent direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1. | Contribution for providing food, medical and other basic needs for cows & other animals | Animal Welfare | Kolkata | 1.12 | 1.12 | 1.12 | Implementing Agency – Calcutta Pinjrapole Society & Shri Tatanagar Goushala |
| 2. | Ekal Aviyan – Adoption of one teacher school, Maintenance of Schools, Sponsoring education of poor children | Promotion Of Education including special education | Various parts of West Bangal, Jharkhand, other states. | 41.42 | 41.42 | 41.42 | Implementing Agency- Direct and through Friends of Tribal Society, Xavier School Ghamaria, Kurpai Unnayani Samity, Paschim Banga Marwari Sammelan Shiksha Kosh,Sheo Bai Bansal Charitable trust, Ram Krishna Mission Boys Home Bansal Foundation. |
| | Contribution for Drinking Water Project. | Providing Safe Drinking Water | Jharkhand & West Bengal | 1.06 | 1.06 | 1.06 | Implementing Agency- Shree Kashi Biswanath |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Providing safe drinking water. | | | | | | Sewa Samity, Brahma Service Society. |
| 4. | Annadanam-Contribution for providing Nutrition to poor villagers and handicapped children of School. Providing Breakfast and Lunch to students. | Eradication Of Hunger, Poverty & Malnutrition Eradication Of Hunger, Poverty & Malnutrition | Tamil Nadu | 29.51 | 29.51 | 29.51 | Implementing Agency - Kshetropasna |
| 5. | Contribution towards medical treatment of poor people, arrangement of medical facilities in villages | Promoting Health care including preventive health care | | 8.82 | 8.82 | 8.82 | Implementing Agency-Tirumala Tirupati Devasthanam , Cancer Hospital & Research Institute, Blind Organisation of India, Brahma Service Society, Kshetropasna ,Bansal Foundation |
| Total | | | | 81.94 | 81.94 | 81.94 | |

**6. Responsibility Statement**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in line with CSR objectives and policy of the Company.

Sd/-

**Harsh Kumar Bansal**
**(DIN: 00137014)**
Managing Director & Chairman of CSR Committee

Kolkata

31st March, 2018

Annexure 'B' to Board's Report

**Information on conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for financial year ended on 31st March, 2018**

**A. Conservation of Energy**

(i) Steps taken or impact on conservation of energy:

- The Company continues to give high priority to the conservation of energy on an ongoing basis. The Company monitors the energy consumption and it takes due care in proper utilization of the energy.
- The regular maintenance of Plant & Machinery, installation of Automated Machines and watchful supervision results in reduction in energy consumption.
- Steps are taken for replacing defective and inefficient equipments as and when required.
- The Company has initiated special drive for increasing efficiency with the lesser conservation of energy and preventing misuse or wastage of energy.

(ii) Steps taken for utilizing alternate sources of energy: The Company is exploring for alternate sources of energy.

(iii) Capital Investment on energy conservation equipments: No material expenditure was incurred on energy conservation equipments.

**B. Technology Absorption**

i) Efforts, made towards technology absorption. The Company is using new technology machines for better production and effective utilization of resources. Manufacturing process is continuously monitored to ensure better productivity.

ii) Benefits derived like product improvement, cost reduction, product development, import substitution, etc.

- Improved productivity and cost reduction.
- Introduction of new and improved products.
- Improvement in product quality.

The above has helped the Company to satisfy the consumers need and business requirements.

iii) In case of imported technology: During last 3 FYs including FY 2017-18, the Company has not imported any technology.

**C. Foreign Exchange Earnings and Outgo**

| | | |
|---|---|---|
| Foreign exchange earned | : | Rs. 931.72 Lakh |
| Foreign exchange outgo | : | Rs. 2147.80 Lakh |

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

*[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,
**BMW INDUSTRIES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BMW INDUSTRIES 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 my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the 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 31st March, 2018, generally 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 31st March, 2018, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
   a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
   b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
   c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
   d) The Securities & Exchange Board of India (Share Based Employee Benefit) Guidelines, 2014
   e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
   f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
   g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
   h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, no other laws/ acts are specifically applicable to the Company.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India

b) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited and the provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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 is duly constituted with proper balance of Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a 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) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that subject to our observation above 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 audit period the Company has passed special resolution under Section 13 of Companies Act, 2013 for alteration in Memorandum of Association of the Company.

This report is to be read with our letter of even date which is annexed as **Annexure –I** which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Sd/-

Neha Somani
ACS no. 44522
COP no. 17322
FRN: P2010WB042700

Date: 22.05.2018
Place: Kolkata

## ANNEXURE - I

To
The Members,
**BMW INDUSTRIES LIMITED**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those 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's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

5. 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 MKB & Associates
Company Secretaries

Sd/-

Neha Somani
(Partner)
ACS no. 44522
COP no. 17322
FRN: P2010WB042700

Date: 22.05.2018
Place: Kolkata

# FORM NO. MGT-9

## Extract of Annual Return as on the financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i. | CIN | L51109WB1981PLC034212 |
| ii. | Registration Date | 21/10/1981 |
| iii. | Name of the Company | BMW Industries Limited |
| iv. | Category/Sub-Category of the Company | Public Limited Company |
| v. | Address of the Registered office and contact details | 119, Park Street, White House, 3rd Floor, Kolkata - 700 016<br>Tel : + 91 (33) 4007 1704<br>Fax : + 91 (33) 4007 1704<br>E-mail : www.bmwil.co.in |
| vi. | Whether listed company | Yes on The Calcutta Stock Exchange Ltd |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | ABS Consultant Private Limited<br>Stephen House, Room No. 99<br>6th Floor, 4, B. B. D. Bag (East), Kolkata - 700 001<br>Tel : + 91 (33) 2243 0153, 2220 1043<br>E-mail : absconsultant@vsnl.net |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**All the business activities contributing 10% or more of the total turnover of the company shall be stated**

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1. | Manufacturing of Engineering Products & Providing Engineering Services | 241 | 98.33% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | SAIL Bansal Service Centre Limited | U27310WB2000PLC092480 | Subsidiary | 60% | 2(87) |
| 2. | Confident Financial Consultancy Pvt Ltd | U67190WB2008PTC124149 | Subsidiary | 100% | 2(87) |
| 3. | Perfect Investment Consultancy Pvt Ltd | U74992WB2008PTC124136 | Subsidiary | 100% | 2(87) |
| 4. | Sidhant Investment Advisory Pvt Ltd | U74120WB2008PTC122119 | Subsidiary | 100% | 2(87) |
| 5. | Siddhi Vinayak Commosales Pvt Ltd | U51909WB2008PTC129643 | Subsidiary | 100% | 2(87) |
| 6. | Shri Hari Vincom Pvt Ltd | U51909WB2008PTC129652 | Subsidiary | 100% | 2(87) |
| 7. | Narayan Dealcom Pvt Ltd | U51909WB2008PTC129649 | Subsidiary | 100% | 2(87) |
| 8. | Fairplan Vintrade Pvt Ltd | U51909WB2008PTC129650 | Subsidiary | 100% | 2(87) |
| 9. | Nageshwar Trade-Link Pvt Ltd | U51909WB2008PTC129645 | Subsidiary | 100% | 2(87) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2017) | | | | No. of Shares held at the end of the year (31.03.2018)* | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) *Indian* | | | | | | | | | |
| a) Individual/ HUF | 8,30,12,080 | - | 8,30,12,080 | 36.88 | 8,30,12,080 | - | 8,30,12,080 | 36.88 | 0.00 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | 5,21,11,250 | 1,17,38,000 | 6,38,49,250 | 28.37 | 7,47,30,139 | - | 7,47,30,139 | 33.20 | 4.83 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| **Sub-Total(A)(1)** | **13,51,23,330** | **1,17,38,000** | **14,68,61,330** | **65.25** | **15,77,42,219** | **-** | **15,77,42,219** | **70.08** | **4.83** |
| 2) *Foreign* | | | | | | | | | |
| a) NRIs Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| **Sub-Total(A)(2)** | - | - | - | - | - | - | - | - | - |
| **Total Shareholding of Promoter (A) = (A)(1)+(A)(2)** | **13,51,23,330** | **1,17,38,000** | **14,68,61,330** | **65.25** | **15,77,42,219** | **-** | **15,77,42,219** | **70.08** | **4.83** |
| **B. Public Shareholding** | - | - | - | - | | | | | |
| 1. *Institutions* | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-Total (B)(1)** | - | - | - | - | - | - | - | - | - |
| **2. *Non -Institutions*** | | | | | | | | | |
| a) Bodies Corp (i) Indian (ii) Overseas | 7,82,23,130 | - | 7,82,23,130 | 34.75 | 6,72,67,130 | - | 6,72,67,130 | 29.89 | (4.86) |
| b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 1,000 | 1,000 | 2,000 | 0.00 | 2,000 | 75,911 | 77,911 | 0.03 | 0.03 |
| (ii) Individual shareholders holding nominal share capital in | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| excess of Rs 1 lakh | | | | | | | | | |
| c) Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total(B)(2) | 7,82,24,130 | 1,000 | 7,82,25,130 | 34.75 | 7,82,24,130 | 1,000 | 6,73,44,241 | 29.92 | (4.83) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 7,82,24,130 | 1,000 | 7,82,25,130 | 34.75 | 7,82,24,130 | 1,000 | 6,73,44,241 | 29.92 | (4.83) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 21,33,47,460 | 1,17,39,000 | 22,50,86,460 | 100.00 | 21,33,47,460 | 1,17,39,000 | 22,50,86,460 | 100.00 | 0.00 |

### ii. Shareholding of Promoters

| Sl. No | Name of Shareholders | Shareholding at the beginning of the year (01.04.2016) | | | Shareholding at the end of the year (31.03.2017)* | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | |
| | **Indian Promoter** | | | | | | | |
| | *Individuals/HUF/Bodies Corporate* | | | | | | | |
| 1. | Ram Gopal Bansal (HUF) | 5,93,750 | 0.26 | - | 5,93,750 | 0.26 | - | 0.00 |
| 2. | Pratiti Bansal | 19,93,250 | 0.89 | - | 19,93,250 | 0.89 | - | 0.00 |
| 3. | Shalini Bansal | 27,93,250 | 1.24 | - | 27,93,250 | 1.24 | - | 0.00 |
| 4. | Pramlata Bansal | 94,12,500 | 4.18 | - | 94,12,500 | 4.18 | - | 0.00 |
| 5. | Vivek Kumar Bansal | 1,40,22,080 | 6.23 | - | 1,40,22,080 | 6.23 | - | 0.00 |
| 6. | Harsh Kumar Bansal | 1,84,47,250 | 8.20 | - | 1,84,47,250 | 8.20 | - | 0.00 |
| 7. | Ram Gopal Bansal | 3,57,50,000 | 15.88 | - | 3,57,50,000 | 15.88 | - | 0.00 |
| 8. | Bansal Engineering Works Pvt Ltd | 18,00,000 | 0.80 | - | 18,00,000 | 0.80 | - | 0.00 |
| 9. | Dharmik Commotrade Pvt Ltd | 31,25,000 | 1.29 | - | 31,25,000 | 1.39 | - | 0.00 |
| 10. | Encash Commercial Pvt Ltd | 34,37,500 | 1.53 | - | 34,37,500 | 1.53 | - | 0.00 |
| 11. | Lakshya Compusoft Pvt Ltd | 37,50,000 | 1.67 | - | 37,50,000 | 1.67 | - | 0.00 |
| 12. | Deep Goods Pvt Ltd | 37,50,000 | 1.67 | - | 37,50,000 | 1.67 | - | 0.00 |
| 13. | Dharmik Tie up Pvt Ltd | 38,75,000 | 1.72 | - | 38,75,000 | 1.72 | - | 0.00 |
| 14. | Paramatma Commercial Pvt Ltd | 40,62,500 | 1.80 | - | 40,62,500 | 1.80 | - | 0.00 |
| 15. | Mahabali Goods Pvt Ltd | 42,00,000 | 1.87 | - | 42,00,000 | 1.87 | - | 0.00 |
| 16. | Rajani Vanijya Pvt Ltd | 42,18,750 | 1.87 | - | 42,18,750 | 1.87 | - | 0.00 |
| 17. | Jaymala Commercial Pvt Ltd | 51,87,500 | 2.30 | - | 51,87,500 | 2.30 | - | 0.00 |
| 18. | Pioneer Goods Pvt Ltd | 55,81,250 | 2.48 | - | 55,81,250 | 2.48 | - | 0.00 |
| 19. | Bansal Business Pvt Ltd | 99,38,000 | 4.42 | - | 99,38,000 | 4.42 | - | 0.00 |
| 20. | Jani Fincom Pvt. Ltd. | 1,09,23,750 | 4.85 | - | 1,09,23,750 | 4.85 | - | 0.00 |
| 21. | Rolex Trafin Pvt. Ltd. | | | | 44,70,500 | 1.99 | - | 1.99 |
| 22. | Tricom Investments Pvt. Ltd. | | | | 64,85,500 | 2.88 | | 2.88 |
| | **Total** | **14,68,61,330** | **65.25** | - | **15,77,42,219** | **70.08** | - | **4.87** |

### iii.Change in Promoters' Shareholding (please specify, if there is no change)

| | Shareholding of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | 14,68,61,330 | 65.25 | 14,68,61,330 | 65.25 |
| Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 1,08,80,889 | 4.83 | 15,77,42,219 | 70.08 |
| At the End of the year | | | 15,77,42,219 | 70.08 |

### iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | **At the beginning of the year** | | | | |
| 1. | Murray Financial Services Pvt Ltd | 1,01,46,010 | 4.51 | 1,01,46,010 | 4.51 |
| 2. | Maniny a Comfin Pvt Ltd | 82,10,120 | 3.65 | 82,10,120 | 3.65 |
| 3. | Tirupati Commosales Pvt Ltd | 75,00,000 | 3.33 | 75,00,000 | 3.33 |
| 4. | Merrit Fintrade Pvt Ltd | 73,69,500 | 3.27 | 73,69,500 | 3.27 |
| 5. | Torrid Fiatra Pvt Ltd | 71,00,500 | 3.15 | 71,00,500 | 3.15 |
| 6. | Tricom Investments Pvt Ltd | 64,85,500 | 2.88 | 64,85,500 | 2.88 |
| 7. | Claret Investments Pvt Ltd | 63,52,500 | 2.82 | 63,52,500 | 2.82 |
| 8. | Bleweet Finvest Pvt Ltd | 51,59,000 | 2.29 | 51,59,000 | 2.29 |
| 9. | Rosset Fiscal Pvt Ltd | 51,51,000 | 2.29 | 51,51,000 | 2.29 |
| 10. | Rolex Trafin Pvt. Ltd. | 44,70,500 | 1.99 | 44,70,500 | 1.99 |
| | **Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):** | No change during the year* | | | |
| | **At the end of the year** | | | | |
| 1. | Murray Financial Services Pvt Ltd | 1,01,46,010 | 4.51 | 1,01,46,010 | 4.51 |
| 2. | Maninya Comfin Pvt Ltd | 82,10,120 | 3.65 | 82,10,120 | 3.65 |
| 3. | Tirupati Commosales Pvt Ltd | 75,00,000 | 3.33 | 75,00,000 | 3.33 |
| 4. | Merrit Fintrade Pvt Ltd | 73,69,500 | 3.27 | 73,69,500 | 3.27 |
| 5. | Torrid Fintra Pvt Ltd | 71,00,500 | 3.15 | 71,00,500 | 3.15 |
| 6. | Claret Investments Pvt Ltd | 63,52,500 | 2.82 | 63,52,500 | 2.82 |
| 7. | Bleweet Finvest Pvt Ltd | 51,59,000 | 2.29 | 51,59,000 | 2.29 |
| 8. | Rosset Fiscal Pvt Ltd | 51,51,000 | 2.29 | 51,51,000 | 2.29 |
| 9. | Kanha Vincom Pvt. Ltd. | 37,50,000 | 1.67 | 37,50,000 | 1.67 |
| 10. | Gregory Credit Pvt.Ltd. | 36,78,500 | 1.63 | 36,78,500 | 1.63 |

## v. Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | **At the beginning of the year** | | | | |
| 1. | Mr. Ram Gopal Bansal<br>Chairman, Whole-Time Director | 3,57,50,000 | 15.88 | 3,57,50,000 | 15.88 |
| 2. | Mr. Harsh Kumar Bansal<br>Managing Director | 1,84,47,250 | 8.20 | 1,84,47,250 | 8.20 |
| 3. | Mr. Vivek Kumar Bansal<br>Managing Director | 1,40,22,080 | 6.23 | 1,40,22,080 | 6.23 |
| | **Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):** | No change during the year* | | | |
| | **At the End of the year** | | | | |
| 1. | Mr. Ram Gopal Bansal<br>Chairman, Whole-Time Director | 3,57,50,000 | 15.88 | 3,57,50,000 | 15.88 |
| 2. | Mr. Harsh Kumar Bansal<br>Managing Director | 1,84,47,250 | 8.20 | 1,84,47,250 | 8.20 |
| 3. | Mr. Vivek Kumar Bansal<br>Managing Director | 1,40,22,080 | 6.23 | 1,40,22,080 | 6.23 |

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 4,45,05,77,053 | 26,12,98,558 | - | 4,71,18,75,611 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | - | - | - | |
| Total (i+ii+iii) | 4,45,05,77,053 | 26,12,98,558 | - | 4,71,18,75,611 |
| **Change in Indebtedness during the financial year** | | | | |
| - Addition | - | 9,75,40,070 | - | 9,75,40,070 |
| - Reduction | (53,04,72,933) | | - | (53,04,72,933) |
| Net Change | (53,04,72,933) | 9,75,40,070 | - | (43,29,32,863) |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 3,92,04,04,120 | 35,88,38,628 | - | 4,27,89,42,748 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 3,92,04,04,120 | 35,88,38,628 | - | 4,27,89,42,748 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager

| Sl. No. | Particulars of Remuneration | Name of Whole Time Director / Managing Directors / Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Ram Gopal Bansal, Chairman, Whole time Director | Harsh Kumar Bansal, Managing Director | Vivek Kumar Bansal, Managing Director | |
| 1. | Gross salary<br>(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 | 1,56,00,000 | 1,02,00,000 | 1,02,00,000 | 3,60,00,000 |
| | (b)Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - | - | - | - |
| | (c)Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify | -<br>- | -<br>- | -<br>- | -<br>- |
| 5. | Others, please specify | - | - | - | - |
| | **Total(A)** | **1,56,00,000** | **1,02,00,000** | **1,02,00,000** | **3,60,00,000** |
| | Ceiling as per the Act | As provided under Schedule V read with Rule 7 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Act. | | | |

### B. Remuneration to other Directors:

### 1. Independent Directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Debasish Basu | Sunil Kumar Parik | Rampriya Sharan | Prahlad Kumar | Gayatri Singh | |
| 1. | Fee for attending board / committee meetings | 1,26,000 | - | 32,000 | - | 11,000 | 1,69,000 |
| 2 | Commission | - | - | - | - | - | - |
| 3 | Others, please specify | - | - | - | - | | |
| | **Total (B)(1)** | **1,26,000** | - | **32,000** | - | **11,000** | **1,69,000** |
| | Overall Ceiling as per the Act | Sitting Fee paid is within limit prescribed at Section 197 of the Act | | | | | |

### 2. Other Non-Executive Directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| 1. | Fee for attending board / committee meetings | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 2. | Commission | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 3. | Others, please specify | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | **Total (B)(2)** | **N.A.** | **N.A.** | **N.A.** | **N.A.** | N.A. | **N.A.** |
| | **Total Managerial Remuneration (B)= (B)(1)+ (B)(2)** | | | | | | **1,69,000** |
| | **Overall Ceiling as per the Act** | N.A. (since the Company does not have any other Non-Executive Directors) | | | | | |

## C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

| Sl. No | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | **Abhishek Agarwal - (Chief Financial Officer)** | **Sweta Prasad (upto 07.10.2017) (Company Secretary)** | **Arbind Kumar Jain (w.e.f 12.10.2017) (Company Secretary)** | **Total** |
| 1. | Gross salary<br>(a) Salary as per provisions contained in Section17(1) of the Income Tax Act,1961<br>(b) Value of perquisites u/s 17(2) of the Income tax Act,1961<br>(c) Profits in lieu of salary under Section 17(3) of the Income tax Act,1961 | 12,41,541<br>-<br>- | 2,35,773<br>-<br>- | 8,01,272<br>-<br>- | 22,78,586<br>-<br>- |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify | -<br>- | -<br>- | -<br>- | -<br>- |
| 5. | Others, please specify | - | - | - | - |
| | **Total (C)** | **12,41,541** | **2,35,773** | **8,01,272** | **22,78,586** |

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the companies Act | Brief description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / Court] | Appeal made. If any(give details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| **B. Directors** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| **C. Other Officers In Default** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |

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

Sd/- Sd/-

**Ram Gopal Bansal**
**Chairman**
**DIN: 00144159**

**Harsh Kumar Bansal**
**Managing Director**
**DIN: 00137014**

Place: Kolkata
Dated: 22nd May, 2018

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i. Ratio of remuneration of each director to the median remuneration of employees of the company for the Financial Year 2017-18, Percentage increase in remuneration of Directors, Chief Financial Officer, Company Secretary during the Financial Year 2017-18.

| | Name of Director / KMP | Designation | Ratio of Remuneration of each Director to the Median remuneration of employees | Percentage increase in Remuneration |
|---|---|---|---|---|
| **Executive Directors** | | | | |
| 1. | Mr. Ram Gopal Bansal | Chairman, Whole-time Director | 79:1 | Nil |
| 2. | Mr. Harsh Kumar Bansal | Managing Director | 52:1 | 21% |
| 3. | Mr. Vivek Kumar Bansal | Managing Director | 52:1 | 21% |
| **Non-Executive Directors** | | | | |
| 4. | Mr. Debasish Basu* | Non-Executive Independent Director | - | - |
| 5. | Mr. Sunil Kumar Parik* | Non-Executive Independent Director | - | - |
| 6. | Mr. Prahlad Kumar** | Non-Executive Independent Director | - | - |
| 7. | Ms. Gayatri Singh* | Non-Executive Independent Director | - | - |
| 8. | Mr. Rampriya Sharan* | Non-Executive Independent Director | - | - |
| **Key Managerial Personnel** | | | | |
| 9. | Mr. Abhishek Agarwal | Chief Financial Officer | NA | 20% |
| 10. | Ms. Sweta Prasad*** | Company Secretary | NA | 12.% |
| 11. | Mr. Arbind Kumar Jain**** | Company Secretary | NA | - |

*Independent Directors and Non-Executive Directors are only entitled to sitting fees. No other form of remuneration was paid to the non-executive directors during the Financial Year 2017-18.

** Resigned w.e.f. 23.11.2018

*** Resigned w.e.f. 8th October, 2018 **** Appointed w.e.f. 12th October, 2018

ii. The Percentage increase in median remuneration of Employees for the financial year was 1.25%

iii. The Company has 646 permanent employees on the rolls of the company as on 31st March, 2018.

iv. Relationship between average increase in remuneration and company's performance:

The average increase in remuneration is closely linked to achievement of annual corporate goals, financial and operational performance of the Company and adjustments towards increased cost of living. The reward philosophy of the Company is to provide market competitive reward opportunity that has a strong linkage to and drives performance culture. During the year, similar approach was followed to establish the remuneration increase to the Employees.

v. Comparison of the remuneration of the Key Managerial Personnel (individually & totally) against the performance of the Company:

The compensation for Key Managerial Personnel's is guided by external competitiveness, annual performance review and overall growth of the Company. The KMP's play a pivotal role in the growth of the Company and considering performance of the Company during the year they have been accordingly remunerated.

vi. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year over previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Company is listed on the Calcutta Stock Exchange. There has been no trading in the shares of the Company during the Financial Year 2017-2018.

vii. Average percentage increase in the salaries of employees other than managerial personnel in the financial year was 12% whereas the average increase in the managerial remuneration was 13.15%:

The Company has touched new heights due to the continuous efforts of managerial personnel warranting such increase.

viii. The key parameters for any variable component of remuneration:

Apart from the Whole-time Director and Managing Directors, no other Directors are in receipt of any remuneration other than sitting fees for attending Board and Committee Meetings.

ix. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: N.A.

x. The remuneration paid is as per the remuneration policy of the Company

**Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| Name of Employee | Ram Gopal Bansal | Harsh Kumar Bansal | Vivek Kumar Bansal |
|---|---|---|---|
| Age | 63 | 39 | 38 |
| Designation | Whole-Time Director | Managing Director | Managing Director |
| Nature of employment | Contractual | Contractual | Contractual |
| Qualification | Commerce Graduate | Commerce Graduate and Advance Management Programme from London Business School | Commerce Graduate |
| Experience | 35 | 10 | 16 |
| Remuneration received | Rs. 156 Lakh | Rs.102 Lakh | Rs. 102 Lakh |
| Date of commencement of employment | 21.10.1981 | 26.12.2006 | 26.09.2001 |
| Particulars of last employment | First Employment | First Employment | First Employment |
| Percentage of equity shares held | 15.88% | 8.20% | 6.23% |
| Relationship with Director | Mr. Ram Gopal Bansal is the father of Mr. Harsh Kumar Bansal and Mr. Vivek Kumar Bansal. | Mr. Harsh Kumar Bansal is the son of Mr. Ram Gopal Bansal and brother of Mr. Vivek Kumar Bansal. | Mr. Vivek Kumar Bansal is the son of Mr. Ram Gopal Bansal and brother of Mr. Harsh Kumar Bansal. |

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

SD

**Ram Gopal Bansal**
**Chairman**
**DIN: 00144159**

SD

**Harsh Kumar Bansal**
**Managing Director**
**DIN: 00137014**

Place: Kolkata
Date: 22nd May, 2018

# Management discussion & analysis

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## About the Company

The Company was incorporated on October 21, 1981 as Bansal Mechanical Works Private Limited. On March 21, 1984, the name was changed to Bansal Mechanical Works Limited and on June 28, 1990 the name of the Company was changed to BMW Industries Limited. The Company is one of the leading industrial groups of Eastern India with a multi-locational presence in the steel sector and has devised of strategic growth path on the back an integrated business model. The Company is engaged in the manufacture of tubular poles and structures, transmission line towers and rebars, catering to a vast and quality-conscious customer base.

## Indian economic overview

The Indian economy headed for slower growth of around 6.7% in 2017-18. The year under review was marked by structural reforms. In addition to GST implementation, the government focused on significant resolution of challenges related to bank non-performing assets, FDI liberalization, bank recapitalization and coal mine privatisation. Export growth rebounded in 2016-17 and strengthened thereafter in 2017-18; foreign exchange reserves rose to US$ 422.53 billion as of March 2018. *(Source: CSO, economic survey 2017-18)*

## Key government reforms

**Bank recapitalisation scheme:** The Central Government announced capital infusion of Rs. 2.1 lac crore into public sector banks.

**Expanding road network:** The Government of India announced a Rs. 6.9 lac crore investment to construct 83,677 kilometres of roads across five years.

**Improving ecosystem:** The Insolvency and Bankruptcy Code was passed, simplifying tax computation and merging applications for PAN and TAN. (Source: KPMG)

**Goods and Services Tax:** The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services are taxed at just five slabs (28%, 18%, 12%, 5% and zero tax).

**Foreign Direct Investment:** Foreign direct investment increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.

**Coal mining opened for private sector:** Ending state monopoly, the government opened coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalisation in 1973.

**Doubling farm incomes:** The government initiated a seven-point action plan to double farm incomes by 2022.

**Estimation for FY2017-18 vs FY 2016-17**

| Year | 2017-18* | 2016-17 |
|---|---|---|
| GDP growth | 6.7% | 7.1% |
| Manufacturing growth | 5.1% | 9.3% |
| Power and gas growth | 7.3% | 6.5% |
| Mining growth | 3% | 1.9% |
| Construction growth | 4.3% | 3.5% |
| Financials, realty growth | 7.2% | [illegible] |
| Public, admin, Defence growth | 10.1% | 10.0% |
| Per capita income growth | 8.3% | 9.7% |

*Estimated

Source: [illegible]

## Outlook

World Bank projected India's economic growth to accelerate to 7.4% in 2018-19 and 7.5% in 2019-20, catalyzed by private consumption and services. Private investment is expected to revive as soon as the country adjusts to GST. The recapitalization package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment. *(Source: IMF, World Bank)*

## Indian steel industry overview

The steel industry contributes >2% to the GDP of the nation and provides 25 lac jobs. During the fiscal gone by, India replaced Japan to emerge as the world's second-largest crude steel producer. Total crude steel production increased at a CAGR of 5.4% to reach 102.34 million tonnes per annum. During 2017-18, finished steel production for sale in India stood at 104.98 million tonnes while total consumption stood at 90.68 million tonnes compared to 83.90 million tonnes in FY2016-17. Export and import levels stood at 9.62 million tonnes and 7.48 million tonnes respectively, with a 36% reduction in imports compared to 11.7 million tonnes in 2015-16. Consequently, India was able to save Rs. 5,000 crore in foreign exchange by substituting imported steel with high-end domestic variants, which reported steady demand from the shipping, defence, healthcare and infrastructure segments.

Indian per capita finished steel consumption remains at a dismal 68 kilograms, in contrast with the global average of ~220 kilograms, indicating that there is substantial room for improvement. The steel industry comprises several large players that contribute to 66% of the total production with the balance being accounted by the smaller players. *(Source: IBEF, Economic Times, Business Today, Ministry of Steel)*

## Key downstream sectors and developments

- **Automotive:** The automotive industry is forecast to grow from US$74 billion in 2015 to ~US$300 billion by 2026, necessitating a greater demand for steel. The automobile industry is one of the key customers of the Indian steel industry. Automobile sales increased at a CAGR of 7.01% between FY13 and FY18 to reach 24.97 million vehicles, increasing the demand for steel. The automotive components industry of India grew by 14.3% on the back of a strong growth in after-market sales to reach ~US$49 billion in FY2017-18, and is expected to register a turnover of US$100 billion by 2020 backed by strong exports ranging between US$80-100 billion by 2026, driving the steel industry.

- **Railways:** Public private investments in railways are expected to grow from Rs. 24,000 crore in 2017-18 to Rs. 27,000 crore in 2018-19. Furthermore, the expansion of the dedicated rail freight corridor network via gauge conversion, line laying and electrification should boost steel demand over the near-term.

- **Oil and gas:** Oil and gas is one of the major end-user segments of the steel industry, accounting for ~34.4% of the primary consumption. This trend is expected to continue leading to a greater demand for steel tubes and pipes.

- **Power:** The Central Government has targeted a capacity addition of 100 gigawatts by 2022.

- **Rural development:** Per capita consumption of finished steel in rural India is expected to grow from 12 kilograms to 14 kilograms by 2020. Policies like Food for Work Programme, Indira Awaas Yojana and Pradhan Mantri Gram Sadak Yojana could drive demand for construction steel in rural India.

- **Policy support:** 100% FDI in the steel sector and a 20% safeguard on imports will boost demand for steel over the medium-term.

- **Roads:** During FY2017-18, 9,829 kilometres national highways of were constructed, a 20% growth over FY2016-17. Construction of highways hit 27 kilometres per day during FY2017-18, clocking a growth of 20% over the 22.5 kilometres per day during FY2016-17. Expenditure on new road projects over the last five years amounted to Rs. 6.55 lac crore. The expenditure of Rs. 6.92 lac crore over the next five years, is therefore not a large increase in investment considering inflation as well, necessitating a greater demand for steel. (Source: IBEF, Financial Express)

- **Airports:** In FY18, passenger traffic at Indian airports stood at 308.75 million across 94 airports. Estimated steel-consumption in airport building is likely to grow at a rate of >20% over the next few years. India's desire to get back on the saddle with respect to infrastructural development bodes well for the steel industry.

- **Smart cities:** Under the Central Government's ambitious Smart City Mission, only 5.2% of the total identified projects have been completed at 1.4% of the total envisaged investment of Rs 1,35,958 crore. (Source: Times of India)

- **Infrastructure development:** In the Union budget 2018-19, the Government of India has given a massive push to the infrastructure sector by allocating Rs. 5.97 lac crore for the sector. The infrastructure sector accounts for 9% of steel consumption and expected to increase to11% by 2025-26. Consequently, the demand for steel would increase substantially in the years ahead.

- **Capital goods:** The capital goods sector accounts for an 11% share of cumulative domestic steel consumption and this is expected to increase to ~15% by 2026.

- **Booming consumer durables sector:** The appliance and consumer electronics industry is expected to grow at a CAGR of 9% till 2022 to reach Rs 3.15 trillion, driving the demand for steel.

## Outlook

Steel output is expected to increase to 128.6 million tonnes by 2021, accelerating the country's share of global steel production from 5.4% in 2017 to 7.7% by 2021.
The Central Government set a target of increasing per capita steel consumption to 160 kilograms and achieving an annual production of 300 million tonnes by 2030. The country's steel manufacturing capacity could reach 110 million tonnes by 2020. *(Source: IBEF, Economic Times)*

## GST impact

GST, India's biggest tax reform since independence, was implemented on July 1, 2017, unifying numerous central and state levies. GST has had a favourable impact on the Indian steel industry. The major components like coal and iron ore were levied GST of 5%, the lowest bar under the new taxation mechanism. The GST rate on the sale and manufacturing of iron and steel products (bars, rods, and scraps) was fixed at 18% while the tax rate on kitchen supplies (cookers and other utensils) was reduced to 12% from 19.5%. The rate on other steel products such as barbeques and sanitaryware increased to 28% and most of the general use products, including railway tracks, iron and steel pipes, among others, were subjected to a GST rate of 18%. The new tax policy eliminated the special additional duty on foreign goods. Moreover, a significant drop in transportation costs attributable to a standardised tax rate should help steel companies reduce their debts. [illegible]

## The company's divisional review

**Tower division:** The Company has state-of-the-art tower fabrication facility with one of the largest power grid-approved galvanising plants in India. The facility is equipped with transmission and microwave towers and is capable of designing prototypes, fabricating, galvanising transmission towers, structures

**Consumption of finished steel**
(million tonnes)

| Years | Consumption |
|---|---|
| FY12 | 70.92 |
| FY13 | 73.48 |
| FY14 | 74.10 |
| FY15 | 76.99 |
| FY16 | 81.52 |
| FY17 | 84.04 |
| FY18E | 90.68 |

*(Source: IBEF, E-Estimated)*

**Total crude steel production**
(million tonnes)

| Years | Production |
|---|---|
| FY12 | 74.29 |
| FY13 | 78.42 |
| FY14 | 81.69 |
| FY15 | 88.98 |
| FY16 | 89.79 |
| FY17 | 97.95 |
| FY18E | 102.34 |

*(Source: IBEF, E-Estimated)*

**Total finished steel production**
(million tonnes)

| Years | Production |
|---|---|
| FY12 | 75.7 |
| FY13 | 81.68 |
| FY14 | 87.67 |
| FY15 | 92.16 |
| FY16 | 90.98 |
| FY17 | 101.81 |
| FY18E | 104.98 |

*(Source: IBEF, E-Estimated)*

and microwave towers. The principle challenge faced by the Company was the timely procurement of raw materials and delivery of processed items. This problem was countered by enhancing autonomy when it came to the production of raw materials. Looking ahead, the number of electrification projects undertaken by the Indian Government is expected to increase, brightening prospects for the tower division.

**TMT bars and pipes:** Since this division came into existence during the fiscal gone by, branding was a major issue faced by the Company. In order to gain a degree of acceptability among its consumers and establish a seamless distributor network. The Company's multi-decadal experience in steel conversion and its cutting-edge infrastructural platform have allowed it to carve a niche for itself. The Company proactively provided its distributors with various incentives and organised factory visits as well. During the fiscal, the Company was able to maintain qualitative consistency by producing lighter sections and ensured that consumer complaints that emerged during the course of that year were addressed promptly. Looking ahead, the Company expects the demand for TMT bars and pipes will continue to gain steam, bolstering its bottomline.

**Steel service centres:** The Company is one of the largest steel processing companies in India. Product customisation was the primary hurdle that the Company's steel service centres had to overcome in order to serve its customers better. The hot-rolled and cold-rolled coils required separate sets of raw materials and each coil needed different treatments in line with consumer requirements. Additionally, a sizeable amount of raw material was getting wasted. The Company managed to reduce this wastage and exceed the 100%-mark when it came to capacity utilisation. During the fiscal, the Company carried out the arduous process of stainless steel slitting for Jindal Steel. The Company also began to import coils from Japan and Korea. One of the advantages that the Company possesses is proximity to raw material sources, resulting in minimal transportation costs.

**Infrastructure:** The Company believes that its infrastructure division requires a heightened degree of expertise. Limited exposure can make it difficult to assess the volumes of raw materials required for construction projects. Furthermore, the number of parameters and variables that need to be addressed can prove to be difficult. Therefore, the Company has taken a decision to take on fewer orders until there is greater clarity regarding the volumes required to facilitate construction. However, the infrastructure division continues to remain upbeat about its future prospects and aims to act as a catalyst for the Company's other verticals.


**Per capita consumption of steel**
(kilograms)

| Years | Per capita consumption |
|---|---|
| FY12 | 58.30 |
| FY13 | 59.30 |
| FY14 | 59.56 |
| FY15 | 61.15 |
| FY16 | 63.99 |
| FY17 | 65.25 |
| FY18E | 68.00 |

(Source: IBEF, E-Estimated)

**Finished steel export**
(million tonnes)

| Years | Export |
|---|---|
| FY12 | 4.59 |
| FY13 | 5.37 |
| FY14 | 5.98 |
| FY15 | 5.60 |
| FY16 | 4.08 |
| FY17 | 8.24 |
| FY18E | 9.62 |
| FY 19* | 0.99 |

(Source: IBEF, E-Estimated; *: upto May 2018)

**Finished steel import**
(in million tonnes)

| Years | Import |
|---|---|
| FY12 | 6.86 |
| FY13 | 7.93 |
| FY14 | 5.45 |
| FY15 | 9.32 |
| FY16 | 11.71 |
| FY17 | 7.23 |
| FY18E | 7.48 |
| FY 19* | 1.22 |

(Source: IBEF, E-Estimated; *: upto May 2018)

# Financial review

## Sales and other income

Revenues during the year stood at Rs 944.68 crore, increased by 22 % as compared to Rs. 777.09 crore in FY2016-17

## Interest and finance costs

Net interest and finance costs increased by 11 % during the year due to transition to INDAS

## Profit before tax

The Company registered a profit before tax of Rs. 71.65 crore compared to Rs. 45.43 crore in the previous year

## Profit after tax

The Company registered a profit after tax of Rs. 51.14 crore compared to Rs. 33.91 crore in the previous year

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**Key ratios**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| EBIDTA/Turnover | 0.18 | 0.17 |
| EBIDTA/Net interest | 3.56 | 3.07 |
| Debt-equity ratio | 0.90 | 1.13 |
| Return on equity (%) | 10.64 | 7.97 |
| Book value per share (Rs.) | 21.36 | 18.89 |
| Earnings per share (Rs.) | 2.29 | 1.50 |

## Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

## Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas.

## Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

# How we manage the principal risks in our business

**1** Risk: **44 per cent of our overall revenues are derived from one customer; top 5 institutional clients contribute more than 50% of the sales.**

| Implication | Counter-measure | Impact |
|---|---|---|
| The attrition of this customer could affect the company's stability and sustainability | The company considers this to be an advantage rather than a threat. The strength of the relationship has been tested across the decades. The business volumes have grown virtually each year. Even as volumes from this customer are growing, the company selected to grow its proprietary business as a hedge | The proportion of proprietary business revenues strengthened from 50 per cent in 2014-15 to 56 per cent in 2017-18 |

**2** Risk: **There is a premium on the prudent allocation of business surpluses**

| Implication | Counter-measure | Impact |
|---|---|---|
| A misallocation could affect viability | The company selected to use the major part of its accruals to retire debt and invest in deepening the distribution network of its proprietary business | The company expects each to be value-accretive: debt reduction will strengthen gearing and profits; a deeper distribution network will enhances sales and profits |

**3** Risk: **High debt on the company's books**

| Implication | Counter-measure | Impact |
|---|---|---|
| This could means that the company's management would be working more for bankers than shareholders | The company selected to moderate debt and debt costs | Gearing strengthened from 1.32 in 2014-15 to 0.90 in 2017-18; interest cover strengthened from 1.76 to 2.54 during the period |

**4** Risk: **The cost of debt is outside the company's control**

| Implication | Counter-measure | Impact |
|---|---|---|
| A rising interest rate economy could affect the company's profitability | The company intends to repay debt and leverage its improving credit rating to negotiate a lower cost of funds | The company expects to emerge as a zero debt company (long-term debt) by 2022 |

## 5 Risk: **High capex during the start of a down cycle.**

| Implication | Counter-measure | Impact |
|---|---|---|
| This could affect the company's capacity to generate a surplus to repay the debt taken to fund the capex. | The company has selected to deleverage the Balance Sheet, reducing its dependence on borrowed funds on the one and selected to freeze spending on assets on the other. | The company expects to remain liquid and profitable across market cycles. |

## 6 Risk: **The steel sector could pass through an extended slowdown**

| Implication | Counter-measure | Impact |
|---|---|---|
| This slowdown could affect the company's growth. | The conversion business has proved relatively cycle-neutral as the company works for one large partner. The company has widened its presence across a large number of marketplace customers. | The company has created the foundation to moderate the impact of any business slowdown through the prudent spreading of risks. |

## 7 Risk: **A large portfolio of products**

| Implication | Counter-measure | Impact |
|---|---|---|
| The larger the portfolio the potentially lower the company's focus. | The company verticalised operations, making executives responsible for the growth of respective business segments. | The conversion steel processing and the proprietary products marketing business both grew attractively during the year under review. |

## 8 Risk: **There is a threat of large unsolds**

| Implication | Counter-measure | Impact |
|---|---|---|
| The large unsold inventory could affect profitability. | Approximately 75% of the production is made to order basis. | Unsold inventory was modest even during the worst end of the steel industry cycle. |

## 9 Risk: **Increase in raw material costs.**

| Implication | Counter-measure | Impact |
|---|---|---|
| This could affect profitability in the conversion and proprietary businesses. | The company received the raw material from its principal conversion customer that insulated it from a variation in raw material costs. The company was protected from a variation in zinc costs by the partner. | The company focused exclusively on efficient conversion without assuming the risk of material inflation in its conversion business. |

## 1. CORPORATE GOVERNANCE PHILOSOPHY

BMW Industries Limited believes that for sustained growth and for enhancing shareholders value, sound Corporate Governance is a must. The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all Shareholders and Stakeholders. However, good corporate governance practices should aim at striking a balance between interests of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other.

## 2. BOARD OF DIRECTORS

**Composition of the Board, Attendance Record and Directorship Held**

The Company's Board comprises seven Directors, representing the optimum mix of professionalism, knowledge and experience. Four Directors of the current strength of the Board are Independent Directors as on 31st March 2018. The category of Directorship, number of Board Meetings attended, attendance at the last Annual General Meeting (AGM), Directorships in other companies, number of Committees in which such Director is a Chairperson or Member, are mentioned below :-

| Sl No | Name of the Director | Category | Attendance | | No. of Directorships and Committee Memberships/ Chairmanships (including the Company | | |
|---|---|---|---|---|---|---|---|
| | | | At Board Meeting | At Last Annual General Meeting | Director ships | Committee Chairmanship | Committee Membership |
| 01 | Ram Gopal Bansal (DIN-00144159) | Chairman and Executive Director | 08/09 | No | 4 | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 02 | Harsh Kumar Bansal (DIN-00137014) | Managing Director | 08/09 | Yes | 9 | - | - |
| 03 | Vivek Kumar Banal (DIN-00137120) | Managing Director | 07/09 | Yes | 9 | - | - |
| 04 | Debasish Basu (DIN-00581141) | Independent Director | 06/09 | Yes | - | - | - |
| 05 | Sunil Kumar Parik (DIN-00884149) | Independent Director | 09/09 | Yes | 2 | - | - |
| 06 | Rampriya Sharan (DIN-05304025) | Independent Director | 02/09 | No | - | - | - |
| 07 | Gayatri Singh (DIN-07031033) | Independent Director | 02/09 | No | - | - | - |
| 08 | Prahlad Kumar (DIN-05174446) | Independent Director | Nil | No | - | - | - |

**Notes :**

i) Prahlad Kumar resigned from the Board w.e.f. 23rd November, 2017

ii) Directorships in other companies excludes Directorships in private limited companies, companies incorporated outside India and companies under Section 8 of the Companies Act, 2013 but includes directorships in subsidiaries of public limited companies. Only Audit

Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

iii) No Director of the Company was a member of more than ten Committees or Chairperson of more than five Committees across all the Public / Listed companies in which he / she was a Director.

**Number of Board Meetings**

The Board of Directors met eight times during the financial year ended 31st March, 2018 on 27th April, 2017,22nd May, 2017, 24th August, 2017, 14th September, 2017, 12th October, 2017, 7th December, 2017, 14th December, 2017, 3rd February,2018 and 14th February,2018. All meetings were well attended. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred twenty days.

**Role of Company Secretary in overall Governance Process**

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision-making at the meeting.

**Information placed before the Board**

The Company sends a detailed agenda folder to each Director with sufficient time before every Board and Committee meetings. All the agenda item are backed by necessary supporting information and documents to enable the Board to take informed decision. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting on the overall performance of the Company. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level, including the Compliance Officer. The Board periodically reviews compliance reports of all laws applicable to the

Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. In addition to the above, Regulation 17(7) of the SEBI (LODR) Regulations, 2015, the minutes of the Board meetings of your Company's subsidiaries and a statement of all significant transactions and arrangements entered into by the subsidiaries are also placed before the Board.

During the year 2017-18, information as mentioned in Part A of Schedule II of the SEBI (LODR) Regulations, 2015 has been placed before the Board for its consideration.

**Code of Conduct**

The Board of Director has laid down a Code of Conduct for all the Board Members and Senior executives of the Company. All the Board members and Senior executives have confirmed compliance with the Code. A declaration by Managing Director of the Company affirming the Compliance with the Code is annexed at the end of this Report . The said Code may be referred to at the website of the Company at its weblink i.e. http://www.bmwil.co.in/img/pdfupload/conduct-3923534c7eaf1edb1466c58eb12e8c6955ed1c.pdf

**3. COMMITTEES**

The Company at present has 5 (Five) Committees of the Board:-

A. Audit Committee
B. Nomination and Remuneration Committee
C. Stakeholders' Relationship Committee
D. Corporate Social Responsibility Committee
E. Finance Committee

The terms of reference of these Committees is decided by the Board. Signed minutes of the Committee meetings are placed before the Board for noting. The role and composition including the number of meetings and related attendance are given below.

## A. AUDIT COMMITTEE

### Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Audit Committee under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The Audit Committee comprises the following four Directors, and their attendance in the Committee Meetings is given hereunder:

| Sl No | Name of the Director | Position | No. of Meeting(s) attended |
|---|---|---|---|
| 01 | Sunil Kumar Parik | Chairman | 05/05 |
| 02 | Debasish Basu | Member | 05/05 |
| 03 | Harsh Kumar Bansal | Member | 04/05 |

The terms of reference of the Audit Committee during the year are broadly as under:

a) Review internal control systems, nature and scope of audit as well as post audit discussions;

b) Review quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the Directors' Responsibility Statement to be included in the Board's Report;

c) Evaluation of internal financial control and risk management systems and ensure compliance with internal control systems;

d) Recommend to the Board on any matter relating to financial management, including audit report;

e) Oversee Company's financial reporting process and disclosure of financial information;

f) Recommendation of appointment and remuneration of auditors;

g) Review performance of statutory and internal auditors;

h) Review with the management and monitor the Auditor's independence, performance of Statutory and Internal Auditors and adequacy of the internal control systems and effectiveness of audit process;

i) Approval or any subsequent modification of transactions of the Company with related parties;

j) Valuation of undertakings or assets of the Company wherever necessary;

k) Monitoring the end use of funds raised through public offers and related matters;

l) Oversee the establishment of Vigil Mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

The Committee met 5 (five) times during the financial year ended 31st March, 2018 on 27th April, 2017, 24th August, 2017, 14th September, 2017, 14th December, 2017 and 14th February,2018. All meetings were well attended.

The Chief Financial Officer and the representatives of the Statutory, Cost and Internal Auditors had been invited to the meetings of the Audit Committee during the year under review. The Company Secretary continues as the Secretary to the Committee.

## B. NOMINATION AND REMUNERATION COMMITTEE

### Terms of Reference and Composition

The Nomination and Remuneration Committee of the Company is constituted in the line with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee comprises of following four Directors, and their attendance in the Committee Meetings is given hereunder:

| Sl No | Name of the Director | Position | No. of Meeting(s) attended |
|---|---|---|---|
| 01 | Sunil Kumar Parik | Chairman | 03/03 |
| 02 | Debasish Basu | Member | 03/03 |

| | | | |
|---|---|---|---|
| 03 | Ram Priya Sharan | Member | 02/03 |

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of section 178 of the Companies Act, 2013 and shall be responsible for:-

a) 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;

b) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) Devising a policy on diversity of Board of Directors;

d) 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 and carry out evaluation of every director's performance.

The Chairman of the nomination and remuneration committee was present at the previous Annual General Meeting of the Company, to answer the shareholders' queries.

During the Financial Year ended 31st March, 2018 the nomination and remuneration committee met 3 (three) times on 27th April, 2017, 14th September, 2017 and 12th October, 2017.

The remuneration policy of the Company is also placed on the website of the Company at the link http://www.bmwil.co.in/img/pdfupload/conduct-5116335e89de53758f12245ef7863cdbacf404.pdf

**Remuneration paid to Directors**

The Independent Directors are entitled to sitting fees for attending the Board and Committee meetings. No sitting fee is paid to Mr. Ram Gopal Bansal, Mr. Harsh Kumar Bansal and Mr Vivek Kumar Banal, the Executive Directors of the Company.

Details of the sitting fees paid to Independent Directors during the year ended 31st March, 2018 are as follows: -

| Sl No | Name of the Director | Category | Sitting Fees |
|---|---|---|---|
| 01 | Sunil Kumar Parik | Independent Director | Nil |
| 02 | Debasish Basu | Independent Director | Rs. 126000/- |
| 03 | Rampriya Sharan | Independent Director | Rs. 32000/- |
| 04 | Gayatri Singh | Independent Director | Rs. 11000/- |
| 05 | Prahlad Kumar | Independent Director | Nil |

Details of the remuneration paid to Executive Directors during the year ended 31st March, 2018 are as follows: -

| Sl No | Name of the Director | Category | Remuneration |
|---|---|---|---|
| 01 | Ram Gopal Bansal | Executive Director | Rs. 1,56,00,000/- |
| 02 | Harsh Kumar Bansal | Executive Director | Rs. 1,02,00,000/- |
| 03 | Vivek Kumar Banal | Executive Director | Rs. 1,02,00,000/- |

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR), Regulations,2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee. A structured questionnaire has prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Commitiees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

**Composition and Terms of Reference**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted the Stakeholders Relationship and Shareholders Grievance Committee.

The Stakeholders Relationship Committee comprises the following four Directors and their attendance in the Committee Meeting is given hereunder :

| Sl No | Name of the Director | Position | No. of Meeting(s) attended |
|---|---|---|---|
| 01 | Debasish Basu | Chairman | 03/03 |
| 02 | Sunil Kumar Parik | Member | 03/03 |
| 03 | Prahlad Kumar | Member | Nil |
| 04 | Vivek Kumar Bansal | Member | 01/03 |

The terms of reference of the Committee includes the following:

• transfer/ transmission of shares and such other securities;

• issue of duplicate share certificates for shares and other securities reported lost, defaced or destroyed, as per the laid down procedure;

• issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;

• issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;

• to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;

• to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;

• to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;

• monitoring expeditious redressal of investors / stakeholders grievances;

• all other matters incidental or related to shares, debentures and other securities of the Company.

The Stakeholders Relationship Committee met 3 (three) times during the year on 3rd November, 2017, 10th November, 2017 and 6th December, 2017.

The grievances are dealt by the Stakeholders Relationship Committee / Registrar & Share Transfer Agent/ Compliance Officer of the Company. Company has no transfers pending at the close of the financial year.

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Terms of Reference and Composition**

The terms of reference of the Committee cover the matters specified for the CSR Committee under Section 135 of the Companies Act, 2013. The Company has a policy on Corporate Social Responsibility. The policy is also placed on the website of the Company at the link http://www.bmwil.co.in/img/pdfupload/conduct-20686988b18b2c19c7248e9f377a0a2f57f0df.pdf

The CSR Committee comprises the following three Directors, and the Committee met 1 (one) time during the year on 14th February, 2018. Attendance of the Directors in the Committee Meeting is given hereunder:

| Sl No | Name of the Director | Position | No. of Meeting(s) attended |
|---|---|---|---|
| 01. | Harsh Kumar Bansal | Chairman | 01/01 |
| 02. | Debasish Basu | Member | 01/01 |
| 03. | Rampriya Sharan | Member | Nil |

**E. FINANCE COMMITTEE**

**Terms of Reference and Composition**

The Board has constituted a Finance Committee, inter alia to take care of all the finance matters including availing financial assistance from banks from time to time that may be required in course of business of the Company. This is a non statutory committee.

The Committee comprises the following members, and the Committee met 5 (five) times during the year on 27th April, 2017, 24th August, 2017, 14th September, 2017, 14th December, 2017 and 14th February, 2018 . Attendance of the Members in the Committee Meeting is given hereunder:

| Sl No | Name of the Director | Position | No. of Meeting(s) attended |
|---|---|---|---|
| 01 | Sunil Kumar Parik | Chairman | 05/05 |
| 02 | Ram Gopal Bansal | Member | 05/05 |
| 03 | Harsh Kumar Bansal | Member | 05/05 |
| 04 | Vivek Kumar Banal | Member | 04/05 |

**4. MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors had met once during the year without the presence of the Non-Independent Directors and the Management Team to discharge duties enjoined on them.

## 5. INDUCTION & TRAINING OF BOARD MEMBERS

To provide insights into the Company's operations, the Company periodically familiarises its Independent Directors through presentations, briefings, meetings, etc. The details of programmes for familiarisation of Independent Directors with the Company, including their duties in the Company and related matters are put up on the website of the Company at the link: http://www.bmwil.co.in/img/pdfupload/conduct-28642895c4575e684e3ef4ca5ad3e0b46e53dc.pdf

## 6. POLICY ON MATERIAL SUBSIDIARY

Regulation 24 of the SEBI (LODR) Regulations, 2015 defines a "Material Non-listed Indian subsidiary" as an unlisted

subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. As on 31st March, 2018 the Company has 09 (Nine) subsidiaries, however none of the Companies are considered as material subsidiary . The Company has a policy to determine its material subsidiary. The policy is also placed on the website of the Company at the link http://www.bmwil.co.in/img/pdfupload/conduct-4119894c7eaf1edb1466c58eb12e8c6955ed1c.pdf

## 7. GENERAL BODY MEETINGS

a. Location and time of the last three Annual General Meetings:

| FY | Venue | Date | Time | Particulars of Resolution | Number of Special Resolution |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| | | | | | Passed |
| 2014-15 | 119, Park Street, White House, Kolkata – 700 016 | 29.09.2015 | 11:00 A.M. | - | No Special Resolution was passed in the meeting. |
| 2015-16 | 119, Park Street, White House, Kolkata – 700 016 | 29.09.2016 | 11:00 A.M. | Borrowing any sum / sums of money not exceeding Rs 700 crores pursuant to Sections 180 (1) (c) of the Companies Act, 2013. | 1 Special Resolution |
| 2016-17 | 119, Park Street, White House, Kolkata – 700 016 | 18.09.2017 | 11.00 A.M. | Alteration of Memorandum of Association of the Company. | 1 Special Resolution |

**b. Location and time of the Extra Ordinary General Meeting:**

| FY | Venue | Date | Time | Particulars of Resolution | Number of Special Resolution Passed |
|---|---|---|---|---|---|
| 2016-17 | 119, Park Street, White House, Kolkata – 700 016 | 07.03.2017 | 11:00 A.M. | Sub division of each equity shares of Rs. 10 /- into 10 equity shares of Re 1/- each | 1 Special Resolution |

**c. Postal Ballot**

No Special Resolution was passed last year through postal ballot.

No Special Resolution is proposed to be conducted through postal ballot.

Resume' and other information on the Directors appointed or reappointed as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Notice of the Annual General Meeting.

## 8. DISCLOSURES

**a) Related party matters** – The Company has not entered into any transactions of material nature with its promoters, directors, the management, subsidiary companies or relatives etc. that have potential conflict with its interest during the year under review. However, the list of related party relationships and transactions as required to be disclosed in accordance with Indian Accounting Standard has been given in Note 40 to the Financial Statements for the year ended 31st March, 2018. As required under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR) Regulations, 2015], the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at weblink : http://www.bmwil.co.in/img/pdfupload/conduct-10029650a3ff8c8cada143431acb4821cc54c7.pdf

**b) Details of non-compliance by the Company**

No penalties/strictures were imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.

**c) Vigil Mechanism/Whistle Blower Policy**

The Company believes in promoting ethical behavior and accordingly there is a mechanism for reporting unethical behavior, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy under which the employees are free to report any such grievances to the Nodal Officer appointed for the purpose. In certain circumstances, employees may also report to the Chairman of the Audit Committee. The Policy is also placed on the website of the Company at the link:

http://www.bmwil.co.in/img/pdfupload/conduct-726504c7eaf1edb1466c58eb12e8c6955ed1c.pdf

d) Internal Control System

The Internal Control System of the Company is aimed at proper utilisation and safeguarding of the Company's resources and to promote operational efficiency. The findings of the Internal Audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the Internal Control System.

e) Compliance with Regulation 27 of the SEBI (LODR) Regulations, 2015

The Company has complied with the mandatory requirements of the Regulation 27 of the SEBI (LODR) Regulations, 2015. The details of these compliances have been given in the relevant sections of this report. The status on compliance with the Non-mandatory requirements is given at the end of the Report.

f) Reconciliation of Share Capital Audit

A qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and the listed equity share capital. The Audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

g) Accounting treatment in preparation of financial statement

The Company has followed the Guidelines of Indian Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

h) Risk Management

The Company carries a risk management process and the weaknesses if found are communicated to the Audit

Committee from time to time. Periodic reviews are made on extent of risk minimization measures adopted to minimize the potential risks.

## 9. MEANS OF COMMUNICATION

a) The Company intimates unaudited half-yearly and quarterly results after Limited Review by the Statutory Auditors as well as the Audited Annual Results to the Stock Exchanges after they are approved by the Board of Directors.

b) Such results are also published in newspapers having wide circulation in West Bengal, where the Registered Office of the Company is situate.

c) Results are displayed on Company's website www.bmwil.co.in. Results are also sent to the Calcutta Stock Exchange (CSE) for display on their intimation.

d) The document on Management Discussion and Analysis Report forms part of this Annual Report.

## 10. GENERAL SHAREHOLDER INFORMATION

### a. Listing of Shares

The Equity Shares of the Company are listed on:

| Name of the Stock Exchange | Stock code |
|---|---|
| The Calcutta Stock Exchange Ltd (CSE)<br>7, Lyons Range, Kolkata – 700 001. | 12141 – CSE |

### b. Market Price Data

The shares of the Company were not traded at the Stock Exchange during the Financial Year 2017-18.

| | | | |
|---|---|---|---|
| c. | Company's registered office | : | 119, Park Street, White House, 3rd Floor, Kolkata – 700 016 |
| d. | Address for correspondence of Shares and related matters | : | Mr. Arbind Kumar Jain<br>Company Secretary |

| | | | |
|---|---|---|---|
| | | | 119, Park Street, White House,<br>3rd Floor, Kolkata – 700 016<br>Tel No. +91 33 4007 1704<br>Email Id: arbindjain@bmwil.co.in |
| e. | **Registrar and Share Transfer Agent (Physical and Demat mode)** | : | ABS Consultant Private Limited<br>Stephen House, Room No. 99<br>6th Floor, 4, B. B. D. Bagh,<br>Kolkata – 700 001<br>Tel No. +91 33 2243 0153, +91 33 2220 1043<br>Email Id: absconsultant@vsnl.net |
| f. | **AGM details** | | |
| | Date | : | As per the Notice calling the Annual General Meeting |
| | Venue | : | |
| | Time | : | |
| g. | **Financial Year** | : | 1st April, 2017 to 31st March, 2018 |
| h. | **Book Closure Date** | : | As per Notice of AGM |
| i. | **Financial calendar (tentative)** | | |
| | **Financial reporting for the quarter ending** | | |
| | 1st quarter ending 30th June, 2018 | : | 2nd week of August, 2018 |
| | 2nd quarter ending 30th September, 2018 | : | 2nd Week of November, 2018 |
| | 3rd quarter ending 31st December, 2018 | : | 2nd Week of February, 2019 |
| | 4th quarter ending 31st March, 2019 | : | 3rd week of May, 2019 |
| | Annual General Meeting for the year ending 31st March, 2019 | : | 2nd week of September, 2019 |
| j. | **Dividend payment** | : | N.A. |
| k. | **Contact person for clarification on Financial Statements** | : | Mr. Abhishek Agarwal<br>Chief Financial Officer<br>119, Park Street, White House,<br>3rd Floor, Kolkata – 700 016<br>Tel No. +91 33 4007 1704<br>Email Id: abhishekagarwal@bmwil.co.in |
| l. | **Transfer of shares** | : | During the year, the Company approved transfer request from Shareholders. Shareholder Relationship Committee and RTA look after the matter. |
| m. | **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity** | : | The Company has not issued any GDRs / ADRs / warrants or any convertible instruments, which is likely to have impact on the Company's equity. |

| | | | |
|---|---|---|---|
| n. | E-mail ID of the Grievance Redressal Division / Compliance Officer exclusively for the purpose of registering complaints by investors | : | arbindjain @bmwil.co.in |
| o. | Plant Location | : | i. Ramdas Oil Mill Compound, Manifit, P.O: Telco, Jamshedpur, Jharkhand.<br>ii. Junglepur, PO: Andul Mouri, NH – 6, Howrah, West Bengal.<br>iii. G. T. Road (N), Ghusuri, Howrah, West Bengal.<br>iv. B-I, Phase-II, Adityapur Industrial Area, Jamshedpur, Jharkhand.<br>v. M-1, Large Sector, Gamharia, Dist – Seraikella - Kharswan, Jamshedpur, Jharkhand. |
| p. | Payment of Listing Fees | : | Annual listing fee for FY 2018-19 has been paid by the Company to CSE. |
| q. | Payment of Annual Custody Fees | : | Annual Custodian fee for FY 2018-19 is paid by the Company to NSDL and CDSL within stipulated time. |
| r. | ISIN | : | INE374E01021 |

**s. Dematerialisation of Shares**

Trading in Equity Shares of the Company is permitted in Demat Form. However, no trading in shares has been done during the financial year.

**Details of Shares held in Dematerialised and Physical Form as on 31st March, 2018**

| Category | No of Shares | % of Shares |
|---|---|---|
| Shares held in Dematerialised Form – NSDL | 14,71,63,469 | 65.38 |
| Shares held in Dematerialised Form – CDSL | 7,78,47,080 | 34.59 |
| Shares held in Physical Form | 75,911 | 0.03 |
| | | |
| **Total no of Shares** | **22,50,86,460** | **100.00** |

**t. Distribution of Equity Shareholding as on 31st March, 2018**

| Particulars | Number of Shareholders | Number of Shares held | Percentage of Shareholding (%) |
|---|---|---|---|
| Up to 500 | 596 | 59111 | 0.03 |

| | | | |
|---|---|---|---|
| 501 – 1,000 | 13 | 13000 | 0.01 |
| 1,001 – 5,000 | 3 | 5000 | 0.00 |
| 5,001 – 10,000 | - | - | - |
| 10,001 – 50,000 | - | - | - |
| 50,001 – 1,00,000 | - | - | - |
| 1,00,001 – and above | 33 | 22,50,09,349 | 99.96 |
| Total | **645** | **22,50,86,460** | **100** |

**Pattern of Shareholding as on 31st March, 2018**

| Category | Number of Shares | Percentage of Shareholding (%) |
|---|---|---|
| Promoter's Holding | | |
| - Individuals / HUF | 8,30,12,080 | 36.88 |
| - Bodies Corporate | 7,47,30,139 | 33.20 |
| Non Institutions Body Corporate | 6,73,44,241 | 29.92 |
| Total | **22,50,86,460** | **100.00** |

## 11. REQUIREMENTS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has complied with the applicable mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has adopted the following non-mandatory requirements:

**(i) The Board:**

The Company is headed by the Executive Chairman.

**(ii) Shareholder Rights:**

The Company is getting its quarterly/half yearly and Annual financial results published in leading newspapers with wide distribution across the country and regularly updates and other important information on its public domain website.

**(iii) Audit Qualifications:**

There are no audit qualifications on the Company's Financial Statements for the year ended 31st March 2018.

**(iv) Separate posts of Chairperson and CEOs:**

Mr. Ram Gopal Bansal is the Chairman and Mr. Harsh Kumar Bansal and Mr. Vivek Kumar Bansal are the Managing Directors of the Company.

For and on behalf of the Board

| | | |
|---|---|---|
| | SD/- | SD/- |
| Place: Kolkata | Ram Gopal Bansal | Harsh Kumar Bansal |
| Date: 22nd May, 2018 | Chairman | Managing Director |
| | DIN: 00144159 | DIN: 00137014 |

# COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of BMW Industries Limited**

We have examined the compliance of conditions of corporate governance by **BMW Industries Limited** ('the Company') for the year ended 31st March, 2018, as stipulated in Regulations 17 - 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from 1st April, 2017 to 31st March, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as specified Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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.

SD/-

**Sachin Kumar**
**Practicing Company Secretary**
**C.P. No:14154**

Place: Kolkata
Date: 22nd May, 2018

**CERTIFICATION IN TERMS OF REGULATION 17 (8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION S, 2015**

22nd May, 2018

The Board of Directors
**BMW Industries Limited**
119, Park Street,
White House, 3rd Floor,
Kolkata – 700 016

We, the undersigned in our respective capacities as Managing Director and Chief Financial Officer of BMW Industries Limited, certify to the Board in terms of Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that we have reviewed the Financial Statements and the Cash Flow Statements of the Company for the year ended 31st March, 2018

1. To the best of our knowledge and belief, we certify that:

    i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.

    ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

    iii. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

3. We have indicated to the Auditors and the Audit Committee:

    a. Significant changes, if any, in the Internal Control over financial reporting during the year.

    b. Significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

    c. Instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

**For BMW Industries Limited**

SD/-

**Harsh Kumar Bansal**
**Managing Director**
**DIN: 00137014**

SD/-

**Abhishek Agarwal**
**Chief Financial Officer**

## CODE OF CONDUCT

22nd May, 2018

The Board of Directors
**BMW Industries Limited**
119, Park Street,
White House, 3rd Floor,
Kolkata – 700 016

Dear Sirs,

I, Harsh Kumar Bansal, Managing Director of BMW Industries Limited hereby confirm that all Board Members and Senior Management Team have affirmed compliance with the "Code of Conduct for Directors and Senior Executives of the Company" for the year ended 31st March, 2018.

Thanking you,

Yours sincerely,

**For BMW Industries Limited**

SD/-

**Harsh Kumar Bansal**
**Managing Director**
**DIN: 00137014**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part A Subsidiaries**

| 1 | Sl. No. | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 2 | Name of the subsidiary | SRL Bansal Service Centre Limited | Confident Financial Consultancy Pvt. Ltd. | Rageshwar Trade-Link Pvt. Ltd. | Perfect Investment Consultancy Pvt. Ltd. | Shri Hari Vinimay Pvt. Ltd. |
| 3 | Financial period ended | 31.03.2018 | 31.03.2018 | 31.03.2018 | 31.03.2018 | 31.03.2018 |
| 4 | Exchange rate | INR | INR | INR | INR | INR |
| 5 | Share capital | 5,00,00,000 | 26,30,700 | 37,08,000 | 30,40,000 | 32,90,000 |
| 6 | Reserves and surplus | 4,54,90,443 | 13,89,07,542 | 12,61,18,527 | 14,39,30,800 | 15,62,92,459 |
| 7 | Total assets | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | Total Liabilities | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 9 | Investments | - | 10,83,07,136 | 20,00,00,000 | 5,44,37,500 | 1,22,02,000 |
| 10 | Turnover | 3,22,20,908 | 8,45,263 | - | - | - |
| 11 | Profit before taxation | 34,75,164 | 2,52,768 | -21,435 | -30,960 | -17,033 |
| 12 | Provision for taxation | 4,07,891 | 56,750 | - | - | - |
| 13 | Profit after taxation | 30,67,273 | 1,96,018 | -21,435 | -30,960 | -17,033 |
| 14 | Other Comprehensive Income | 38,164 | - | - | - | - |
| 15 | Total Comprehensive Income | 31,05,437 | 1,96,018 | -21,435 | -30,960 | -17,033 |
| 16 | Proposed Dividend | - | - | - | - | - |
| 17 | Percentage of shareholding | 60.00 | 100.00 | 100.00 | 100.00 | 100.00 |

| 1 | Sl. No. | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|
| 2 | Name of the subsidiary | Siddhi Vinayak Commosales Pvt. Ltd. | Sidhant Investment Advisory Pvt. Ltd. | Fairplan Vinimay Pvt. Ltd. | Narayan Dealcom Pvt. Ltd. |
| 3 | Financial period ended | 31.03.2018 | 31.03.2018 | 31.03.2018 | 31.03.2018 |
| 4 | Exchange rate | INR | INR | INR | INR |
| 5 | Share capital | 29,50,000 | 49,80,000 | 49,40,000 | 41,20,000 |
| 6 | Reserves and surplus | 13,55,52,480 | 22,85,73,447 | 24,81,27,890 | 20,19,16,757 |
| 7 | Total assets | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | Total Liabilities | [illegible] | [illegible] | [illegible] | [illegible] |
| 9 | Investments | 3,70,85,000 | 13,00,14,000 | 8,75,84,000 | 13,85,45,000 |
| 10 | Turnover | 17,500 | - | 5,81,792 | 1,34,359 |
| 11 | Profit before taxation | 3,385 | 25,858 | 2,19,711 | 65,375 |
| 12 | Provision for taxation | - | - | 72,509 | 21,575 |
| 13 | Profit after taxation | 3,385 | 25,858 | 1,47,202 | 43,800 |
| 14 | Other Comprehensive Income | - | - | - | - |
| 15 | Total Comprehensive Income | 3,385 | 25,858 | 1,47,202 | 43,800 |
| 16 | Proposed Dividend | - | - | - | - |
| 17 | Percentage of shareholding | 100.00 | 100.00 | 100.00 | 100.00 |

**Part B Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| | | |
|---|---|---|
| | Name of Associates or Joint Ventures | Nil |
| 1 | Latest audited Balance Sheet Date | N.A. |
| 2 | Date on which the Associate or Joint Venture was associated or acquired | N.A. |
| 3 | Shares of Associate or Joint Ventures held by the company on the year end | |
| | No. | N.A. |
| | Amount of Investment in Associates or Joint Venture | N.A. |
| | Extent of Holding (in percentage) | N.A. |
| 4 | Description of how there is significant influence | N.A. |
| 5 | Reason why the associate / joint venture is not consolidated | N.A. |
| 6 | Net worth attributable to shareholding as per latest audited Balance Sheet | N.A. |
| 7 | Profit or Loss for the year | |
| | i) Considered in Consolidation | N.A. |
| | ii) Not Considered in Consolidation | N.A. |

For and on behalf of the Board of Directors

SD/-
Ram Gopal Bansal
Chairman
DIN: 00144159

SD/-
Harsh Kumar Bansal
Managing Director
DIN: 00137014

Place: Kolkata

Date: 22nd May, 2018

SD/-
Abhishek Agarwal
Chief Financial Officer

SD/-
Arbind Jain
Company Secretary

**INDEPENDENT AUDITORS' REPORT**

**To the Members of BMW INDUSTRIES LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of BMW Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Standalone Ind AS financial statements").

**Management's Responsibility for the Standalone Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") (as amended) with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), Cash Flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018 and its Profit (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

**Other Matters**

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor, M/s. Deoki Bijay & Co. Chartered Accountants, whose report for the year ended 31st March 2017 and 31st March 2016 dated 27th April, 2017 and 30th May, 2016 respectively expressed unmodified opinion on those financial statements, as adjusted for the Company on transition to the Ind AS, which have been audited by us. Reliance has been placed by us on the said financial statements and the report issued thereupon for the purpose of this Standalone financial statements and the report issued by us.

Our opinion is not modified in respect of this matter.

**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 of India 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, to the extent applicable.

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 purposes of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;

   e) On the basis of the written representations received from the directors as on March 31, 2018and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – refer Note no.34 of the Standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

SD/-

H K Verma
Partner
Membership No: 055104

Place: Kolkata
Date: May22, 2018

**"Annexure A" to the Independent Auditor's Report of even date:**

The Statement referred to in paragraph 1 with the heading 'Report on other legal and regulatory requirements' of our Report of even date to the members of BMW Industries Limited on the Standalone Ind AS financial statements of the Company for the year ended 31st March 2018, we report that:

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets of the Company were physically verified by the management in accordance with a regular programme of verification in a phased manner over a period of three years which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. Based on verification of title deeds/lease deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds/lease deeds of immovable properties are held in the name of the company.

ii. As explained to us, inventories except scrap have been physically verified during the year at reasonable intervals by the management. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.

iii According to the information and explanations given to us, the Company has granted unsecured loans to subsidiary companies which are covered in the register maintained under Section 189 of the Act.

In respect of the loans so granted by the Company, there were no stipulations with respect to repayment of principal amount. As stated, these are repayable on demand. Loan given to one of the subsidiary being strategic in nature and to provide the financial support to the subsidiary company, interest has been waived during the year.

As informed to us, having regard to above, there are no overdue amounts outstanding in respect of such loans and interest thereon where applicable and the terms and conditions thereof as such, prima facie, are not prejudicial to the interest of the Company.

iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted any deposits. Consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company.

vi We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Services tax, customs duty, excise duty, value added tax, cess, Goods and services tax and any other material statutory dues as applicable to it with the appropriate authorities. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2018 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, custom duty, excise duty , Value added Tax, Goods and Services Tax (GST) and Cess if any, as at March 31, 2018, not deposited on account of any dispute are as follows:

| Name of the statue | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax Demands | 1,63,54,600 | F.Y. 2012 – 13 | Commissioner of income tax (Appeals) |
| Income Tax Act, 1961 | Income Tax Demands | 14,78,980 | F.Y. 2013 – 14 | Commissioner of income tax (Appeals) |

viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and others. As explained, the company does not have any loan or borrowings from any financial institution, governments or any dues to debenture holders.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees nor have we been informed of any such cases by the management.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

SD/-

H K Verma
Partner
Membership No: 055104

Place: Kolkata
Date: May 22, 2018

"Annexure B" referred to in our report of even date

**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 BMW Industries Limited ("the Company") as at March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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 Act, 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 ICAI. 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 judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements.

**Inherent 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, 2018, 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 Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

SD/-
H K Verma
Partner
Membership No: 055104

Place: Kolkata
Date: May 22, 2018

**BMW Industries Limited**

**Standalone Balance Sheet as at 31st March, 2018**

Amount in Rs.

| ASSETS | Notes No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|
| **Non-current Assets** | | | | |
| (a) Property, Plant and Equipment | 2 | 5,12,68,74,549 | 5,40,30,58,735 | 5,48,19,70,112 |
| (b) Capital Work-in-progress | | 21,47,66,958 | 35,20,55,151 | 24,19,48,927 |
| (c) Intangible Assets | 3 | 6,46,243 | 12,92,486 | 19,38,729 |
| (d) Financial Assets | | | | |
| i) Investments | 4 | 6,65,68,949 | 9,83,62,262 | 9,83,62,262 |
| ii) Other Financial Assets | 5 | 3,23,55,747 | 4,04,73,909 | 5,09,89,063 |
| (e) Other Non current assets | 6 | 19,39,36,255 | 18,58,84,986 | 16,99,41,945 |
| **Total Non-current Assets** | | 5,63,51,48,701 | 6,08,11,27,529 | 6,04,51,51,038 |
| **Current Assets** | | | | |
| (a) Inventories | 7 | 2,25,23,77,003 | 1,79,24,57,602 | 1,79,31,30,669 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 8 | 2,08,95,16,089 | 1,81,28,65,065 | 1,77,89,85,178 |
| (ii) Cash and cash equivalents | 9 | 50,82,839 | 1,45,30,021 | 95,40,623 |
| (iii) Other Bank balances | 10 | 9,61,41,076 | 6,74,32,361 | 5,89,92,336 |
| (iv) Loans | 11 | 1,24,32,725 | 1,69,32,558 | 1,57,44,498 |
| (v) Others | 12 | 90,00,000 | 1,23,92,630 | 1,41,70,353 |
| (c) Other current assets | 13 | 48,24,46,073 | 39,71,13,345 | 75,17,37,387 |
| **Total Current Assets** | | 4,94,69,95,805 | 4,11,37,23,582 | 4,42,23,01,044 |
| (d) Assets Classified as held for sale | 14 | 3,05,21,580 | - | - |
| **Total Assets** | | 10,61,26,66,086 | 10,19,48,51,111 | 10,46,74,52,082 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) Equity Share Capital | 15 | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |
| (b) Other Equity | 16 | 4,58,14,10,389 | 4,02,78,64,007 | 3,69,00,54,936 |
| **Total Equity** | | 4,80,64,96,849 | 4,25,29,50,467 | 3,91,51,41,396 |
| **Non-current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| Borrowings | 17 | 1,52,05,31,294 | 1,96,36,89,652 | 2,41,81,22,555 |
| (b) Provisions | 18 | 2,23,58,624 | 2,30,91,757 | 1,71,44,358 |
| (c) Deferred Tax Liabilities (Net) | 19 | 43,32,73,947 | 43,35,10,442 | 42,93,39,558 |
| (d) Other Non Current Liabilities | 20 | 26,44,13,305 | 30,91,49,121 | 35,38,84,936 |
| **Total Non-current Liabilities** | | 2,24,05,77,170 | 2,72,94,40,972 | 3,21,84,91,407 |
| **Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| i) Borrowings | 21 | 2,22,41,66,072 | 2,26,43,00,103 | 2,36,54,65,494 |
| ii) Trade Payables | 22 | 63,29,12,468 | 24,26,73,298 | 27,55,10,522 |
| iii) Other Financial Liabilities | 23 | 60,55,26,290 | 58,03,62,114 | 55,30,78,777 |
| (b) Other current liabilities | 24 | 5,24,41,752 | 12,28,64,092 | 13,72,31,823 |
| (c) Provisions | 25 | 5,05,45,485 | 22,60,065 | 25,32,663 |
| **Total Current liabilities** | | 3,56,55,92,067 | 3,21,24,59,672 | 3,33,38,19,279 |
| **Total liabilities** | | 5,80,61,69,237 | 5,94,19,00,644 | 6,55,23,10,686 |
| **Total Equity and Liabilities** | | 10,61,26,66,086 | 10,19,48,51,111 | 10,46,74,52,082 |

Summary of significant accounting policies 1

Notes on Standalone Financial Statements 2 to 43

These notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E
SD/-
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 22nd May, 2018

For and on behalf of the Board of Directors

SD/-
Ram Gopal Bansal
Chairman
DIN: 00144159

SD/-
Harsh Bansal
Managing Director
DIN: 00137014

SD/-
Abhishek Agarwal
Chief Financial Officer

SD/-
Arbind Jain
Company Secretary

BMW Industries Limited

Standalone Statement of Profit and Loss for the year ended 31st March, 2018

Amount in Rs.

| Sl No. | Particulars | Notes | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| I | Revenue from operations | 26 | 9,44,68,44,273 | 7,77,08,53,711 |
| II | Other Income | 27 | 15,50,96,650 | 6,24,48,684 |
| III | **Total Income (I + II)** | | 9,60,19,40,923 | **7,83,33,02,395** |
| IV | **EXPENSES** | | | |
| | (a) Cost of materials consumed | 28 | 5,50,04,66,725 | 4,64,62,15,119 |
| | (b) Purchases of Stock in Trade | | 71,72,65,199 | 25,32,45,321 |
| | (c) (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress | 29 | (18,62,23,273) | (1,48,21,614) |
| | (d) Employee benefits expense | 30 | 23,71,14,437 | 18,52,04,924 |
| | (e) Finance costs | 31 | 46,57,04,698 | 41,73,89,901 |
| | (f) Depreciation and amortisation expense | 2 & 3 | 47,58,95,533 | 43,07,32,889 |
| | (g) Other expenses | 32 | 1,67,52,12,040 | 1,48,10,84,131 |
| | **Total Expenses (IV)** | | 8,88,54,35,359 | **7,39,90,50,671** |
| V | **Profit before tax (III - IV)** | | 71,65,05,564 | **43,42,51,724** |
| VI | Tax Expense | | | |
| | (1) Current tax | | 20,70,91,058 | 9,02,78,502 |
| | (2) Deferred tax- Charge/(Credit) | 19 | (19,28,061) | 48,60,714 |
| | **Total tax expense** | | 20,51,62,997 | **9,51,39,216** |
| VII | **Profit for the year (V-VI)** | | 51,13,42,567 | **33,91,12,508** |
| VIII | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | -Remeasurement gains / (losses) on defined benefit plans | | 48,87,788 | (19,93,268) |
| | -Income tax relating to items that will not be reclassified to profit or loss | 33.3 | (16,91,566) | 6,89,830 |
| | **Other Comprehensive Income for the year(net of tax)** | 33.4 | 31,96,222 | **(13,03,438)** |
| IX | **Total comprehensive income for the year (VII + VIII)** | | 51,45,38,789 | **33,78,09,070** |
| X | **Earnings per Equity share (of par value Re 1 each):** | | | |
| | (1) Basic | 37 | 2.27 | 1.51 |
| | (2) Diluted | 37 | 2.27 | 1.51 |

Summary of significant accounting policies 1

Notes on Standalone Financial Statements 2 to 43

These notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E
Sd/-
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 22nd May, 2018

For and on behalf of the Board of Directors

Sd/-
Ram Gopal Bansal
Chairman
DIN: 00144159

Sd/-
Harsh Bansal
Managing Director
DIN: 00137014

Sd/-
Abhishek Agarwal
Chief Financial Officer

Sd/-
Arbind Jain
Company Secretary

BMW Industries Limited
Standalone Cash Flow for the year ended 31st March, 2018

| | | | | (Amount in Rs.) |
|---|---|---|---|---|
| | | 31st March, 2018 | | 31st March, 2017 |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS** | | 71,05,05,544 | | 43,62,51,734 |
| **ADJUSTMENTS FOR :-** | | | | |
| Depreciation | 47,58,99,533 | | 43,07,52,889 | |
| Finance Costs | 46,57,34,600 | | 41,73,89,001 | |
| Liabilities no longer required written back | (13,01,40,169) | | - | |
| Interest Income | (86,60,975) | | (61,14,018) | |
| Profit on sale of Property, Plant and Equipment | (5,52,04,411) | | | |
| Loss on Fair Valuation of Financial Instruments | 12,71,730 | | | |
| | | 84,88,66,390 | | 84,20,08,174 |
| **OPERATING EXPENSES BEFORE WORKING CAPITAL CHANGES** | | 1,56,53,71,950 | | 1,27,82,59,898 |
| **ADJUSTMENTS FOR :-** | | | | |
| Trade & other receivables | (27,66,01,024) | | (3,36,79,887) | |
| Inventories | (43,49,15,401) | | 4,79,072 | |
| Loans and Advances | (21,31,67,873) | | 38,15,24,381 | |
| Trade Payable and Other Liabilities | 37,41,82,607 | | (6,87,39,455) | |
| | | (57,55,21,689) | | 27,99,91,111 |
| **CASH GENERATED FROM OPERATIONS** | | 98,98,16,261 | | 1,55,82,51,009 |
| Direct Taxes Paid | | (8,73,22,282) | | (10,77,40,794) |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | | 90,24,93,979 | | 1,44,05,10,215 |
| | | | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | | | |
| Purchase of Fixed Assets | (8,57,99,906) | | (46,30,23,570) | |
| Sale of Fixed Assets | 8,07,21,179 | | 12,96,252 | |
| Interest Received | 86,60,975 | | 61,14,018 | |
| Bank Deposits having maturity more than three months | (3,57,13,980) | | (65,40,025) | |
| Unsecured Loan Given | 3,55,37,218 | | (1,60,70,444) | |
| **NET CASH FLOW FROM INVESTING ACTIVITIES** | | (1,05,94,514) | | (47,82,83,177) |
| | | | | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Interest Paid | (46,57,34,698) | | (41,73,89,001) | |
| Proceeds from Bank Borrowing | (43,28,33,863) | | (54,78,47,748) | |
| Payment of Dividend including Taxes | (27,09,087) | | - | |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | | (90,13,66,648) | | (96,52,31,439) |
| | | | | |
| **NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)** | | (94,47,183) | | 69,89,399 |
| **Cash & Cash Equivalents (Opening Balance)** | | 1,45,30,021 | | 95,40,622 |
| **Cash & Cash Equivalents (Closing Balance) - Refer Note No. 9** | | 50,82,838 | | 1,45,30,021 |

Reconciliation of Liabilities arising from Financing activities

| Particulars | As at 31st March 2017 | Proceeds raised | Repayment | Finance Cost/ Non cash Adjustments | As at 31st March 2018 |
|---|---|---|---|---|---|
| Long Term Borrowings | | | | | |
| -From Bank | 1,59,37,46,022 | 42,76,200 | (14,91,34,100) | | 1,44,88,88,122 |
| -From others | 9,25,30,328 | 45,21,608 | (5,00,02,309) | | 4,70,49,927 |
| -From bodies corporate | 26,12,48,558 | 7,55,01,383 | (1,05,82,907) | 3,26,21,094 | 35,88,38,629 |
| Short Term Borrowings | | | | | |
| -From Bank | 2,26,43,06,107 | 1,24,73,87,739 | (1,28,74,21,751) | | 2,22,41,66,073 |
| **Total** | **4,71,18,79,015** | **1,33,16,86,617** | **(1,79,71,41,175)** | **3,26,21,094** | **4,27,89,62,748** |

Note:
The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.

| | |
|---|---|
| Summary of significant accounting policies | 1 |
| Notes on Standalone Financial Statements | 2 to 49 |

These notes are an integral part of the Standalone Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No. 301051E
SD/ -
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 22nd May, 2018

SD/ -
Ram Gopal Bansal
Chairman
DIN: 00144159

SD/ -
Harsh Bansal
Managing Director
DIN: 00137014

SD/ -
Abhishek Agrawal
Chief Financial Officer

SD/ -
Arbind Jain
Company Secretary

BMW Industries Limited
Standalone Statement of changes in Equity for the year ended 31st March, 2018

(a) Equity Share Capital

| Particulars | Amount in Rs. |
|---|---|
| **Balance as at April 1, 2016** | 22,50,86,460 |
| Changes during the year | - |
| **Balance As at March 31, 2017** | 22,50,86,460 |
| Changes during the year | - |
| **Balance as at March 31, 2018** | 22,50,86,460 |

(b) Other Equity

Amount in Rs.

| Particulars | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | |
| **Balance as at 01.04.2016** | 15,00,000 | 1,66,82,96,900 | 22,07,29,328 | 1,79,95,28,708 | 3,69,00,54,936 |
| Profit for the year | - | - | - | 33,91,12,509 | 33,91,12,509 |
| Other Comprehensive Income for the year arising from Remeasurement of defined benefit obligation (Net of Income Tax) | - | - | - | (13,03,438) | (13,03,438) |
| **Balance As at 31.03.2017** | 15,00,000 | 1,66,82,96,900 | 22,07,29,328 | 2,13,73,37,779 | 4,02,78,64,007 |
| Payment of dividends | - | - | - | (22,50,865) | (22,50,865) |
| Tax on dividends paid | - | - | - | (4,58,222) | (4,58,222) |
| Profit for the year | - | - | - | 51,13,42,567 | 51,13,42,567 |
| Other Comprehensive Income for the year arising from Remeasurement of defined benefit obligation (Net of Income Tax) | - | - | - | 31,96,222 | 31,96,222 |
| Forfeiture of convertible Warrants **(Refer Note No. 16.1.1)** | 4,17,16,680 | - | - | - | 4,17,16,680 |
| **Balance As at 31.03.2018** | 4,32,16,680 | 1,66,82,96,900 | 22,07,29,328 | 2,64,91,67,481 | 4,58,14,10,389 |

Refer Note No. 16 for nature and purpose of reserves

Summary of significant accounting policies 1
Notes on Standalone Financial Statements 2 to 43
These notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E
Sd/-
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 22nd May, 2018

For and on behalf of the Board

Sd/-
Ram Gopal Bansal
Chairman
DIN: 00144159

Sd/-
Harsh Bansal
Managing Director
DIN: 00137014

Sd/-
Abhishek Agarwal
Chief Financial Officer

Sd/-
Arbind Jain
Company Secretary

## Note 1-Summary of significant accounting policies

### A. Corporate Information

BMW Industries Limited ('the Company'), a public limited company, is incorporated at Kolkata, in the State of West Bengal. The corporate office as well as registered office of the Company is situated at 119 Park Street, White House, 3rd Floor, Kolkata, West Bengal- 700016. The Company is primarily engaged into manufacturing, processing and selling of steel products comprising of engineering and other products and services and activities related to the same. The Company's shares are listed on The Calcutta Stock Exchange Limited.

### B. Statement of Compliance and Recent Pronouncements

#### i) Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore IND ASs issued, notified and made effective till the Standalone financial statements are authorized have been considered for the purpose of preparation of these Standalone financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The Standalone financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Standalone Financial Statements have now been recasted/restated to make it comparable with current year's figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented in Note No. 42 a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017.The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 42 of the Standalone financial statement.

**ii) Recent Pronouncements**

**Standards issued but not yet effective:**

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2018 on March 28, 2018, whereby Ind AS-115 relating to "Revenue from Contracts with Customers" and Appendix B to Ind AS 21 relating to "Foreign Currency Transactions and advance considerations" has been made applicable from financial year 2018-19 (i.e. April 1, 2018 onwards).

**Ind AS-115 - Revenue from Contracts with Customers**

The Standard replaces the existing Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". Ind AS 115 establishes the principles that an entity shall apply to recognize revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity is entitled in exchange for those goods or services and to disclose useful information to users of Standalone financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

**Ind AS 21 – Appendix B - Foreign currency transactions and advance consideration**

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

The Company is evaluating the requirements of the same and its effect on the Standalone Financial Statements.

**C. Significant Accounting Policies**

**a. Basis of Preparation**

The Standalone Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in IND AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to nearest rupee except otherwise stated.

**b. Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
(b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
(c) Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

**c. Property Plant and Equipment (PPE)**

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Interest on Borrowings used to finance the construction of qualifying assets are capitalised as part of cost of the asset untill such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period more than twelve months and meets the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss when incurred.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, trial run expenses and attributable borrowing cost. Such items are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use.

**Depreciation and Amortization**

Depreciation on PPE is provided as per Schedule II of the Companies Act, 2013 on written down value method.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows:

| Category | Useful Life in years |
|---|---|
| Buildings | 30 |
| Plant and Equipment | 3-30 |
| Furniture and fixtures | 3-20 |
| Vehicles | 6-15 |
| Computer | 3-15 |

Depreciation on subsequent expenditure on Property, Plant and Equipments rising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation methods, useful lives and residual values and are reviewed and adjusted as appropriate, at each reporting date.

**d. Intangible Assets**

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**e. Derecognition of Tangible and Intangible assets**

An item of Property, Plant and Equipment and Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**f. Non-current assets held for sale**

Non current asset or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

**g. Investments in subsidiaries, associates and joint ventures**

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

**h. Leases**

Leases are classified as finance leases whenever in terms of the lease, substantially all the risks and rewards incidental to the ownership of an asset to the Company are transferred to the lessee. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

## i. Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

## j. Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

### I) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**2) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the Financial instruments or, where appropriate, a shorter period.

**3) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

**4) Financial Assets or Liabilities at Fair value through profit or loss**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

**5) Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

### 6) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

### k. Inventories

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

The cost in respect of ra materials is determined on First in First out basis (FIFO) and in respect of Finished Goods and Stores and Spares determined on Weighted average basis. Materials and other supplies held for use in the 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 of raw materials and stores and spares includes the taxes other than those recoverable from taxing authorities and expenses incidental to the procurement of the same. Cost in case of Finished goods represents prime cost and appropriate portion of overheads.

Stock of Work in Progress includes conversion or processing costs of material pending completion and delivery to the customer.

By-product and scrap is valued at net realisable value.

## l. Foreign Currency Transactions

### Presentation Currency

The Standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

### Transactions and Balances

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss.

## m. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as SecuritiesPremium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

## n. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period,taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the Standalone financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are disclosed in the Standalone Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

## o. Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution schemes such as Provident Fund are recognized as and when incurred.

Long-term employee benefits defined benefit scheme such as contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

## p. Revenue

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods associated with the ownership of goods have been transferred or services have been rendered and the amount thereof can be measured reliably. Sales and conversion charges are inclusive of excise duty as applicable but net of Goods and Service Tax/sales tax/value added tax/service tax.

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Revenue in respect of claims of insurance, exports incentives etc. are recognized only when there is reasonable certainty as to the ultimate collection.

In respect of construction contracts revenue is recognized on percentage completion basis when completion level is minimum 10%. Completion level is the percentage of revenue earned to total contract value net of discount. Warranty cost, penalties or possible losses that are dependent upon future events are recognized as and when these are ascertained/ascertainable.

## q. Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

## r. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income"or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

**s. Taxes on Income**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

**t. Earnings Per Share**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**u. Segment Reporting**

The Company has one operating business segment viz. manufacturing, processing and selling of steel and steel products comprising of engineering and other products and services and all other activities are incidental to the same.

## D. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the Standalone financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Standalone financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the Standalone financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

**a. Arrangements containing leases and classification of leases**

The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**b. Depreciation / amortization of and impairment loss on property, plant and equipment / intangible assets.**

Property, plant and equipment are depreciated and intangible assets are amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation asset's recoverable amount is estimated which is higher of asset's or cash generating units' (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash lows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change in such expenses in future periods.

**c. Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

**d. Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

**e. Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**f. Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to the Standalone Financial Statements

2. Property Plant and Equipment

Amount in Rs.

| Particulars | Freehold Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Total |
|---|---|---|---|---|---|---|
| **(A) Gross Carrying Value/Deemed Cost** | | | | | | |
| **As at April 1,2016** | **8,53,79,104** | **65,70,75,095** | **4,54,18,00,977** | **2,35,12,464** | **17,42,02,472** | **5,48,19,70,112** |
| Additions | 26,15,274 | 39,31,781 | 33,61,86,785 | 1,58,051 | 95,19,631 | **35,24,11,522** |
| Disposal | - | - | - | - | - | - |
| Other Adjustments | (33,09,800) | - | - | - | - | **(33,09,800)** |
| **As at March 31,2017** | **8,46,84,578** | **66,10,06,876** | **4,87,79,87,762** | **2,36,70,515** | **18,37,22,103** | **5,83,10,71,834** |
| Additions | 1,05,26,284 | 1,74,44,101 | 20,90,91,235 | 80,04,227 | 1,51,93,536 | **26,02,59,383** |
| Disposal | - | | (6,47,74,322) | (3,79,524) | (12,02,511) | **(6,63,56,357)** |
| Other Adjustments | - | (43,55,782) | 5,28,91,277 | - | - | **4,85,35,495** |
| **As at March 31,2018** | **9,52,10,862** | **67,40,95,195** | **5,07,51,95,952** | **3,12,95,218** | **19,77,13,128** | **6,07,35,10,355** |
| | | | | | | |
| **(B) Accumulated Depreciation** | | | | | | |
| **As at April 1,2016** | - | - | - | - | - | - |
| Charge for the period | - | 2,71,15,982 | 36,72,51,717 | 40,09,928 | 3,17,09,019 | **43,00,86,646** |
| Disposal | | | | | | |
| Other Adjustments | - | - | (20,73,548) | - | - | **(20,73,548)** |
| **As at March 31,2017** | - | **2,71,15,982** | **36,51,78,169** | **40,09,928** | **3,17,09,019** | **42,80,13,098** |
| Charge for the period | - | 2,70,67,745 | 41,17,09,179 | 39,28,831 | 3,25,43,535 | **47,52,49,290** |
| Disposal | | | (69,41,957) | | | **(69,41,957)** |
| Other Adjustments | - | - | 5,03,47,805 | (32,430) | - | **5,03,15,375** |
| **As at March 31,2018** | - | **5,41,83,727** | **82,02,93,196** | **79,06,329** | **6,42,52,554** | **94,66,35,806** |
| | | | | | | |
| **(C) Net Carrying Amount (A-B)** | | | | | | |
| **As at April 1,2016 (Deemed Cost)** | 8,53,79,104 | 65,70,75,095 | 4,54,18,00,977 | 2,35,12,464 | 17,42,02,472 | **5,48,19,70,112** |
| **As at March 31,2017** | 8,46,84,578 | 63,38,90,894 | 4,51,28,09,593 | 1,96,60,587 | 15,20,13,084 | **5,40,30,58,735** |
| **As at March 31,2018** | 9,52,10,862 | 61,99,11,468 | 4,25,49,02,756 | 2,33,88,889 | 13,34,60,574 | **5,12,68,74,549** |

**Notes:**

2.1 The Gross Block as on the date of transition i.e. April 01,2016 given herein above represents previous GAAP written down value of Property,Plant and Equipment considered as "deemed cost" as per the provision of Ind AS 101 "First-Time Adoption of Indian Accounting Standards"-Refer Note 42.7(i) and(iii).

2.2 Refer Note No. 17.1 and 21.1 to standalone financial statement in respect of charge created on Property, Plant and Equipment against borrowings.

## 3. Intangible Assets

Amount in Rs.

| Particulars | Computer Software |
|---|---|
| **(A) Gross Block** | |
| **As at April 1,2016** | **19,38,729** |
| Additions | - |
| Disposal / Adjustments | - |
| **As at March 31,2017** | **19,38,729** |
| Additions | - |
| Disposal / Adjustments | - |
| **As at March 31,2018** | **19,38,729** |
| | |
| **(B) Accumulated Depreciation** | |
| **As at April 1,2016** | - |
| Charge for the period | 6,46,243 |
| Other Adjustments | - |
| **As at March 31,2017** | **6,46,243** |
| Charge for the period | 6,46,243 |
| Other Adjustments | - |
| **As at March 31,2018** | **12,92,486** |
| | |
| **(C) Net Carrying Amount (A-B)** | |
| **As at April 1,2016 (Deemed Cost)** | **19,38,729** |
| **As at March 31,2017** | **12,92,486** |
| **As at March 31,2018** | **6,46,243** |

**Notes:**

3.1 The Gross Block as on the date of transition i.e. April 01,2016 given herein above represents previous GAAP written down value of Other Intangible Assets considered as "deemed cost" as per the provision of Ind AS 101 "First-Time Adoption of Indian Accounting Standards".

4 Non Current Investments

Amount in Rs.

| Particulars | As at 31.03.2018 | | As at 31.03.2017 | | As at 01.04.2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| **Investments measured at Cost (Deemed Cost)** | | | | | | |
| **In equity Instruments** | | | | | | |
| **Unquoted** | | | | | | |
| **Subsidiary Companies** | | | | | | |
| Jai Bansal Service Centre Limited (Face Value Rs.10 each) | 48,00,000 | 4,80,00,000 | 48,00,000 | 4,80,00,000 | 48,00,000 | 4,80,00,000 |
| Bansal Nepal Private Limited (Face Value Rs.62.50 each) ( Refer Note 14.1) | - | - | 5,08,693 | 3,17,93,313 | 5,08,693 | 3,17,93,313 |
| Confident Financial Consultancy Private Limited (Face Value Rs.10 each) | 2,93,000 | 17,38,399 | 2,93,000 | 17,38,399 | 2,93,000 | 17,38,399 |
| Perfect Investment Consultancy Private Limited (Face Value Rs.10 each) | 3,04,000 | 19,53,950 | 3,04,000 | 19,53,950 | 3,04,000 | 19,53,950 |
| Sidhant Finvest Advisory Private Limited (Face Value Rs.10 each) | 4,98,000 | 32,64,260 | 4,98,000 | 32,64,260 | 4,98,000 | 32,64,260 |
| Siddhi Vinayak Comosales Private Limited (Face Value Rs.10 each) | 2,95,000 | 18,66,440 | 2,95,000 | 18,66,440 | 2,95,000 | 18,66,440 |
| Shri Hari Vinicars Private Limited (Face Value Rs.10 each) | 3,29,000 | 21,81,270 | 3,29,000 | 21,81,270 | 3,29,000 | 21,81,270 |
| Narayana Dealcom Private Limited (Face Value Rs.10 each) | 4,22,000 | 26,79,240 | 4,22,000 | 26,79,240 | 4,22,000 | 26,79,240 |
| [illegible] Vintrade Private Limited (Face Value Rs.10 each) | 3,94,000 | 25,38,950 | 3,94,000 | 25,38,950 | 3,94,000 | 25,38,950 |
| Nageshwara Tradelink Private Limited (Face Value Rs.10 each) | 3,70,000 | 23,46,440 | 3,70,000 | 23,46,440 | 3,70,000 | 23,46,440 |
| | | 6,65,68,949 | | 9,83,62,262 | | 9,83,62,262 |
| Aggregate amount of unquoted investments | | 6,65,68,949 | | 9,83,62,262 | | 9,83,62,262 |

4.1 The Company has elected to continue with the carrying value of its investments in subsidiaries measured as per the Previous GAAP and used that carrying value on the transition date April 1, 2016 in terms of Para D15 (b) (ii) of Ind AS 101 'First -time Adoption of Indian Accounting Standards'.

4.2 **Details of Subsidiaries in accordance with Ind AS 112 "Disclosure of interests in other entities" :**

| Name of subsidiary | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/voting rights held by the Company | | |
|---|---|---|---|---|---|
| | | | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Jai Bansal Service Centre Limited | Processing of Steel | India | 60.00% | 60.00% | 60.00% |
| Bansal Nepal Private Limited (Refer Note 14.1) | Manufacturing | Nepal | 0.00% | 100.00% | 100.00% |
| Confident Financial Consultancy Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Perfect Investment Consultancy Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Sidhant Finvest Advisory Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Siddhi Vinayak Comosales Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Shri Hari Vinicars Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Narayana Dealcom Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| [illegible] Vintrade Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Nageshwara Tradelink Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |

4.3 Particulars of Investments as required in terms of Section 186(4) of the Companies Act, 2013, have been disclosed under Note 4.

**5 Other Non Current Financial Assets**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **At amortised cost** | | | | |
| (a) | Security Deposits | | 73,50,482 | 1,34,73,909 | 1,30,89,063 |
| (b) | Fixed Deposit with Bank (having maturity more than 12 months) | 5.1 | 70,05,265 | - | 19,00,000 |
| (c) | Grant Receivable | 5.2 | 1,80,00,000 | 2,70,00,000 | 3,60,00,000 |
| | | | 3,23,55,747 | 4,04,73,909 | 5,09,89,063 |

**Notes:**

5.1 Kept as lien against issue of Bank guarantee and Letter of credit

5.2 **Nature and Extent of Grant**

Represents grant of Rs. 4,50,00,000 approved on 29th October 2015 against investment in Plant & Machinery in Jamshedpur under capital promotion incentive scheme.As per the terms of the scheme., 20% of the grant amount will be received by the company for 5 years starting from 2016-17.

There are no unfulfilled conditions and other contingencies attaching to government assistance .

**6 Other Non Current Assets**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Prepayments | | 2,31,40,249 | 2,74,38,092 | 1,18,43,766 |
| (b) | Capital Advance | | 16,79,74,413 | 15,54,68,185 | 15,45,62,355 |
| (c) | Deferred Loss on fair valuation of Financial instrument | | 28,21,593 | 29,78,709 | 31,35,824 |
| | | | 19,39,36,255 | 18,58,84,986 | 16,95,41,945 |

Notes to the Standalone Financial Statements

## 7 Inventories(Valued at lower of cost or Net realisable Value)

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Raw materials | | **1,09,75,80,576** | 91,33,39,850 | 91,71,43,246 |
| (b) | Finished goods | 7.1 | **67,26,18,467** | 48,63,95,194 | 47,15,73,580 |
| (c) | Work in Progress | | **30,72,35,701** | 28,72,35,701 | 29,64,32,134 |
| (d) | Stores and Spares | | **17,49,42,259** | 10,54,86,857 | 10,79,81,709 |
| | | | **2,25,23,77,003** | **1,79,24,57,602** | **1,79,31,30,669** |

**Notes:**

7.1 Excise Duty included in inventory

Amount in Rs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Finished Goods | - | 5,40,43,910 | 5,39,82,629 |
| | - | **5,40,43,910** | **5,39,82,629** |

7.2 Refer Note No. 17.1 and 21.1 to standalone financial statements in respect of charge created on inventories against borrowings.

7.3 Cost of inventory recognised as expense during the year amounted to Rs. 7,84,42,44,186 (March 31,2017: Rs.6,25,77,00,323)

## 8 Trade Receivables

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Trade Receivables | | **2,08,95,16,089** | 1,81,28,65,065 | 1,77,89,85,178 |
| | | | **2,08,95,16,089** | **1,81,28,65,065** | **1,77,89,85,178** |
| | **Classification of trade receivables** | | | | |
| | Secured, considered good | | - | - | - |
| | Unsecured, considered good | | **2,08,95,16,089** | 1,81,28,65,065 | 1,77,89,85,178 |
| | | | **2,08,95,16,089** | **1,81,28,65,065** | **1,77,89,85,178** |

**Notes:**

8.1 The average credit period for conversion is 90 days. Complete Trade Receivables are Non- Interest bearing.

8.2 Age of Receivable :

Amount in Rs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Within the credit period | **2,00,83,17,089** | 1,78,59,65,363 | 1,74,56,10,382 |
| 1-180 days past due | **1,94,74,990** | 76,07,343 | 84,23,686 |
| More than 180 days past due | **6,17,24,010** | 1,92,92,359 | 2,49,51,110 |
| **Total** | **2,08,95,16,089** | **1,81,28,65,065** | **1,77,89,85,178** |

8.3 Refer Note No. 17.1 and 21.1 to standalone financial statement in respect of charge created on Trade Receivable against borrowings.

8.4 The company has reviewed its account receivable based on the financial condition of the customer after considering the current economic environment case to case basis.Based on such review,there does not exist such circumstances requiring any impairment in these Standalone Financial Statements.

The concentration of credit risks in respect of manufactured goods sold is limited due to customer base being backed by large number of unrelated parties. In respect of services provided, the Company's significant revenues are derived from one customer which is a well established public limited company in India and therefore concentration of credit risk is limited.

9 Cash and cash equivalents

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Balances with banks | | | | |
| | In Current accounts | | 40,07,822 | 1,43,15,294 | 90,23,773 |
| | in Dividend account | | 8,27,541 | - | - |
| (b) | Cash on hand | | 2,47,476 | 2,14,727 | 5,16,850 |
| | | | 50,82,839 | 1,45,30,021 | 95,40,623 |

10 Other Bank balances

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Fixed Deposit with Bank (having original maturity of more than 3 months) | 10.1 | 9,61,41,076 | 6,74,32,361 | 5,89,92,336 |
| | | | 9,61,41,076 | 6,74,32,361 | 5,89,92,336 |

Notes:

10.1 Kept as lien against issue of Bank guarantee and Letter of credit

11 Loans

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **At Amortised Cost** | | | | |
| | **Unsecured,considered good** | | | | |
| | Loans and advances to employees | | 1,24,32,725 | 1,69,32,558 | 1,57,44,498 |
| | | | 1,24,32,725 | 1,69,32,558 | 1,57,44,498 |

12 Other Financial Assets

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **At Amortised Cost** | | | | |
| (a) | Grant Receivable | 5.2 | 90,00,000 | 90,00,000 | 90,00,000 |
| (b) | Security Deposit | | - | 33,92,630 | 51,70,353 |
| | | | 90,00,000 | 1,23,92,630 | 1,41,70,353 |

**13 Other Current Assets**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Advance to vendors | | 40,51,19,215 | 8,86,19,445 | 54,64,74,004 |
| (b) | Balances with government authorities | | 1,84,21,364 | 9,43,34,724 | 2,50,53,590 |
| (c) | Advance Income Tax ( Net of provision) | | - | 11,97,68,776 | 10,23,06,486 |
| (d) | Advance to related parties | 13.1 | 5,45,99,233 | 9,01,36,451 | 7,40,66,007 |
| (e) | Prepaid expenses | | 13,54,880 | 13,02,568 | 20,06,429 |
| (f) | Prepayments | | 27,94,266 | 27,94,266 | 16,73,756 |
| (g) | Deferred Loss on fair valuation of Financial instrument | | 1,57,115 | 1,57,115 | 1,57,115 |
| | | | 48,24,46,073 | 39,71,13,345 | 75,17,37,387 |

13.1 Represents loan recievable from Subsidiaries which is repayable on demand. However, considering that the loan so given is strategic in nature and to provide the financial support to the said subsidiaries, interest for the year has been waived and therefore, has not been approved in these accounts.

**14 Assets classified as held for sale**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Investment in equity shares of a subsidiary | 14.1 | 3,05,21,580 | - | - |
| | | | 3,05,21,580 | - | - |

14.1 The Company entered into a Share Purchase Agreement (SPA) on 04th April, 2017 inter-alia with M/S Anand Itta Bhata Udyog Private Limited for sale of its entire shareholding in Bansal Nepal Private Limited consisting of 508693 equity shares of Rs. 60/- each subject to compliance and completion of the formalities under the Foreign Exchange Management Act and the conditions precedent in terms of the Sale Purchase Agreement . Consequently, the said investments has been classified as held for sale at its realisable value as on 31st March 2018 and loss of Rs. 12,71,730 in this respect has been shown under Other expenses **(Note No. 32)**

## 15 Equity Share Capital

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **Authorised:** | | | | |
| | **500000000 Equity Shares of Re. 1 each** | | 50,00,00,000 | 50,00,00,000 | 50,00,00,000 |
| | *(31.03.2017: 500000000 Equity Shares of Re. 1 each)* | | | | |
| | *(01.04.2016: 50000000 Equity Shares of Rs. 10 each)* | | | | |
| | | | 50,00,00,000 | 50,00,00,000 | 50,00,00,000 |
| | **Issued,Subscribed and fully paid up:** | | | | |
| | **225086460 Equity Shares of Re. 1 each** | | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |
| | *(31.03.2017: 225086460 Equity Shares of Re. 1 each)* | | | | |
| | *(01.04.2016: 22508646 Equity Shares of Rs. 10 each)* | | | | |
| | | | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |

**Notes:**

15.1 The company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

15.2 There has been no changes/movements in number of shares outstanding at the beginning and at the end of the reporting period.

15.3 **Shareholders holding more than 5% equity shares**

No. of Shares

| Company Name | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Ram Gopal Bansal | 3,57,50,000 | 3,57,50,000 | 35,75,000 |
| Harsh Kumar Bansal | 1,84,47,250 | 1,84,47,250 | 18,44,725 |
| Vivek Kumar Bansal | 1,40,22,080 | 1,40,22,080 | 14,02,208 |

15.4 The face value of equity shares of Rs. 10/- each has been subdivided into the value of Re. 1/- per equity share with effect from March 7, 2017, being the record date. Accordingly the number of shares has increased from said date.

## 16 Other Equity

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Capital Reserve | 16.1 | 4,32,16,680 | 15,00,000 | 15,00,000 |
| (b) | Securities Premium Reserve | 16.2 | 1,66,82,96,900 | 1,66,82,96,900 | 1,66,82,96,900 |
| (c) | General Reserve | 16.3 | 22,07,29,328 | 22,07,29,328 | 22,07,29,328 |
| (d) | Retained earnings | 16.4 | 2,64,91,67,481 | 2,13,73,37,779 | 1,79,95,28,708 |
| | | | 4,58,14,10,389 | 4,02,78,64,007 | 3,69,00,54,936 |

**Notes:**

Refer Statement of Changes in Equity for movement in balances of Reserves.

16.1 **Capital Reserve**

**Capital Reserve comprises of:**

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|
| Government Grant Received | | 15,00,000 | 15,00,000 | 15,00,000 |
| Forfeiture of Warrants convertible to Equity Shares | 16.1.1 | 4,17,16,680 | - | - |
| | | 4,32,16,680 | 15,00,000 | 15,00,000 |

16.1.1 In earlier year, the Company has issued 4540625 warrants at a price of Rs. 40/- each, entitling the holder to 1 equity share. As per terms and conditions of the issue, the warrant holders have an option to convert warrant to Equity at any time on or before 18 months from the date of allotment (i.e. 30.05.2013) at exercise price of Rs.160/-per share. Proceeds of Rs. 4,17,16,680 against 1042917 Warrants against which no such options was exercised and being non adjustable or non refundable has been forfeited and credited to Capital Reserve and included under Other Equity.

16.2 **Securities Premium Reserve**

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

16.3 **General Reserve**

The general reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

16.4 **Retained Earnings**

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the company and includes remeasurement gain/losses on defined benefit obligations. This includes Rs. 1,02,78,714 ( March 31, 2017: Rs. 2,05,57,428 and April 1, 2016 : Rs. 3,08,36,142) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment being measured at fair value in earlier years.

16.5 **Declaration of Dividend**

(a) The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. The Board of Directors in its meeting held on 07th December, 2017 has declared an Interim Dividend of Re. 0.01 per equity shares (1%).

(b) Subsequent to Balance Sheet date the Board of Directors has declared on 10th April, 2018 an interim Dividend of Rs. 0.02 per equity shares for the Financial Year 2018-19.

## 17 Borrowings

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | | As at 31.03.2017 | | As at 01.04.2016 | |
|---|---|---|---|---|---|---|---|---|
| | | | Non current | Current | Non current | Current | Non current | Current |
| A | **Secured- at amortised cost** | | | | | | | |
| (a) | Term loan | | | | | | | |
| | From banks | | | | | | | |
| | -Rupee Loan | 17.1 | **66,48,02,226** | **27,88,56,000** | 96,30,62,463 | 23,14,90,911 | 1,21,04,90,887 | 25,28,21,814 |
| | - Foreign Currency Loan | 17.2 | **43,65,74,373** | **17,81,75,303** | 61,28,07,439 | 16,86,64,650 | 79,18,48,705 | 14,65,00,000 |
| | From Others | 17.3 | - | **3,75,00,000** | 3,75,02,010 | 5,00,00,000 | 8,99,19,672 | 5,00,00,000 |
| (b) | Vehicle Loan | | | | | | | |
| | From banks | 17.4 | **5,38,62,563** | **3,66,17,656** | 8,56,71,241 | 3,20,49,918 | 11,54,01,588 | 3,60,83,711 |
| | From Others | 17.5 | **64,53,504** | **30,96,423** | 33,47,941 | 16,80,377 | 25,04,971 | 7,29,775 |
| | | | 1,16,16,92,666 | 53,42,45,382 | 1,70,23,91,094 | 48,38,85,856 | 2,21,01,65,823 | 47,61,35,300 |
| B | **Unsecured- at amortised cost** | | | | | | | |
| | From Bodies Corporate | 17.6 | 35,88,38,628 | - | 26,12,98,558 | - | 20,79,56,732 | - |
| | | | 35,88,38,628 | - | 26,12,98,558 | - | 20,79,56,732 | - |
| | Total | | 1,52,05,31,294 | 53,42,45,382 | 1,96,36,89,652 | 48,38,85,856 | 2,41,81,22,555 | 47,61,35,300 |

17.1 Secured primarily by 1st charge on the fixed assets of the company's Unit at Gamharia situated in Jharkhand (existing as well as that of the Proposed Project) for both present and future and secured by First charge on all fixed assets located at GT Road both present and future , by way of equitable mortgage of the immovable assets and hypothecation of plant and machineries and other movable fixed assets. Further secured by personal guarantee of the directors of the Company. Rate of interest being 0.35% to 2.25% above Base Rate and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 27,90,90,380 |
| 2019-2020 | 29,14,25,000 |
| 2020-2021 | 30,54,18,000 |
| 2021-2022 | 7,12,70,000 |
| Total | 94,82,03,380 |

17.2 Secured primarily by 1st charge on the fixed assets of the company's Unit Gamharia situated in Jharkhand (existing as well as that of the Proposed Project) for both present and future by way of equitable mortgage of the immovable assets and hypothecation of Current Assets. Further secured by personal guarantee of the directors of the Company.Rate of interest being 300 basis point above 6 month LIBOR and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 17,81,75,303 |
| 2019-2020 | 24,06,71,300 |
| 2020-2021 | 19,59,03,073 |
| Total | 61,47,49,676 |

17.3 Secured primarily by first charge over all fixed assets located at Adityapur both present and future, by way of equitable mortgage of the immovable assets and hypothecation of plant and machinery located at Manfit. Further secured by personal gurantee of directors of the Company. Rate of interest being 6.45% below long term lending rate and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 3,75,00,000 |

17.4 Secured by hypothecation of vehicles and other machinery acquired. Rate of interest being ranges from 9.25% to 10.25% and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 3,63,57,049 |
| 2019-2020 | 3,89,70,559 |
| 2020-2021 | 1,51,52,611 |
| Total | **9,04,80,219** |

17.5 Secured by hypothecation of vehicles and other machinery acquired. Rate of interest being ranges from 7.65% to 9.15% and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 30,90,206 |
| 2019-2020 | 28,59,731 |
| 2020-2021 | 35,99,990 |
| Total | **95,49,927** |

17.6 Unsecured Loan at unamortised cost outstanding as on March 31, 2018 carries interest @10% and is payable as per the repayment schedule as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2023-2024 | 5,17,03,180 |
| 2024-2025 | 26,19,24,000 |
| 2025-2026 | 35,86,33,557 |
| Total | **67,22,60,737** |

## 18 Non Current Provisions

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Provision for employee benefits | | | | |
| | Gratuity | 18.1 | 2,23,58,624 | 2,30,91,757 | 1,71,44,358 |
| | | | 2,23,58,624 | 2,30,91,757 | 1,71,44,358 |

Notes:

18.1 For other disclosures, refer Note 39

## 19 Deferred Tax Liabilities(Net)

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Deferred Tax Assets | | 27,98,10,278 | 28,15,01,844 | 22,03,15,482 |
| (b) | Deferred Tax Liabilities | | 71,30,84,225 | 71,50,12,286 | 64,96,55,040 |
| | Deferred Tax Liabilities(Net) | | 43,32,73,947 | 43,35,10,442 | 42,93,39,558 |

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below :

Amount in Rs.

| 2017-18 | Opening Balance | Recognised in profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Deferred tax liabilities/(assets) in relation to: | | | | |
| **Deferred Tax Assets** | | | | |
| Defined benefit obligation | 27,15,293 | - | 16,91,566 | 10,23,727 |
| Mat Credit entitlement | 27,87,86,551 | - | - | 27,87,86,551 |
| **Total Deferred Tax Assets** | 28,15,01,844 | - | 16,91,566 | 27,98,10,278 |
| | | | | |
| **Deferred Tax Liabilities** | | | | |
| Property, plant and equipment | 70,78,26,375 | (24,48,419) | - | 70,53,77,956 |
| Lease Rentals | 71,85,911 | 5,20,358 | - | 77,06,269 |
| **Total Deferred Tax Liabilities** | 71,50,12,286 | (19,28,061) | - | 71,30,84,225 |
| | | | | |
| NET DEFERRED TAX (ASSETS)/ LIABILITIES | 43,35,10,442 | (19,28,061) | 16,91,566 | 43,32,73,947 |

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2017 are given below :

Amount in Rs.

| 2016-17 | Opening Balance | Recognised in profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Deferred tax liabilities/(assets) in relation to: | | | | |
| **Deferred Tax Assets** | | | | |
| Defined benefit obligation | 20,25,463 | | (6,89,830) | 27,15,293 |
| Mat Credit entitlement | 21,82,90,019 | (6,04,96,532) | | 27,87,86,551 |
| **Total Deferred Tax Assets** | 22,03,15,482 | (6,04,96,532) | (6,89,830) | 28,15,01,844 |
| | | | | |
| **Deferred Tax Liabilities** | | | | |
| Property, plant and equipment | 64,30,85,354 | 6,47,41,021 | | 70,78,26,375 |
| Lease Rentals | 65,69,686 | 6,16,225 | | 71,85,911 |
| **Total Deferred Tax Liabilities** | 64,96,55,040 | 6,53,57,246 | - | 71,50,12,286 |
| | | | | |
| NET DEFERRED TAX (ASSETS)/ LIABILITIES | 42,93,39,558 | 48,60,714 | (6,89,830) | 43,35,10,442 |

**20 Other Non Current Liabilities**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Deferred gain on fair valuation of financial instrument | | **23,11,63,462** | 27,24,70,974 | 31,37,78,486 |
| (b) | Deferred revenue arising from Government Grants | | **3,32,49,843** | 3,66,78,147 | 4,01,06,450 |
| | | | 26,44,13,305 | **30,91,49,121** | **35,38,84,936** |

**21 Current Liabilities- Borrowings**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **Secured** | | | | |
| | **Repayable on Demand** | | | | |
| | Cash credit / Working capital facilities from banks | 21.1 | **2,22,41,66,072** | 2,26,43,00,103 | 2,36,54,65,494 |
| | | | 2,22,41,66,072 | **2,26,43,00,103** | **2,36,54,65,494** |

21.1 Cash credits from banks are secured by hypothecation of current assets including inventories and book debts and collateral security of pari pasu charge over fixed assets of the company and guaranteed by directors.

**22 Current Liabilities- Trade payables**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Payables for goods and services | | | | |
| | - Dues to Micro, Small and Medium Enterprise | | - | - | - |
| | - Others | | **63,29,12,468** | 24,26,73,298 | 27,55,10,522 |
| | | | 63,29,12,468 | **24,26,73,298** | **27,55,10,522** |

22.1 There are no dues to Micro and Small enterprises as at 31st march, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

22.2 Trade payables are non-interest bearing and are normally settled on 120 day terms.

**23 Current Liabilities- Other financial liabilities**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Current maturities of long-term debts | | **53,42,45,382** | 48,38,85,856 | 47,61,35,300 |
| (b) | Unpaid dividend | **23.1** | **8,27,540** | - | - |
| (c) | Other Current Liabilities | | **7,04,53,368** | 9,64,76,258 | 7,69,43,477 |
| | | | 60,55,26,290 | **58,03,62,114** | **55,30,78,777** |

Note

23.1 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**24 Other Current liabilities**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Advances received from customers | | **13,72,165** | 3,55,67,729 | 5,02,41,638 |
| (b) | Statutory Dues (GST,service tax, sales tax, TDS etc.) | | **63,33,772** | 8,43,868 | 5,37,690 |
| (c) | Deferred gain on fair valuation of financial instruments | | **4,13,07,512** | 4,13,07,512 | 4,13,07,512 |
| (d) | Deferred revenue arising from Government Grants | | **34,28,303** | 34,28,303 | 34,28,303 |
| (e) | Application money against share warrants | 16.1.1 | - | 4,17,16,680 | 4,17,16,680 |
| | | | 5,24,41,752 | **12,28,64,092** | **13,72,31,823** |

**25 Current liabilities- Provisions**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Provision for employee benefits | | | | |
| | Gratuity | 25.1 | **18,15,272** | 22,60,065 | 25,32,663 |
| (b) | Provision for income tax (Net of advance tax) | | **4,87,30,213** | - | - |
| | | | **5,05,45,485** | 22,60,065 | 25,32,663 |

25.1 For other disclosures, refer Note 29

26 Revenue from Operations

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | **Sale of Goods** | | | |
| | Sale of Product | | 5,35,18,70,047 | 4,14,90,33,467 |
| (b) | **Sale of Services** | | | |
| | Conversion Income | | 3,81,79,76,327 | 3,26,98,49,416 |
| (c) | **Other Operating Revenue** | | | |
| | Transportation Charges Recovered | | 27,69,97,899 | 35,19,70,828 |
| | | | 9,44,68,44,273 | 7,77,08,53,711 |

Notes

26.1 Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 and therefore, Revenue from operations for the period July 1, 2017 to 31st March 2018 are net of GST. Revenue from Operations and expenses for the year ended 31st March 2017 being inclusive of Excise Duty are not comparable with corresponding figures of year ended 31st March 2018.

27 Other Income

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Interest on deposits | | 86,60,975 | 61,14,616 |
| (b) | Amortisation of Financial Instrument | | 4,13,82,682 | 4,13,75,848 |
| (c) | Government Grant | | 34,28,303 | 34,28,303 |
| (d) | Profit on sale of Property, Plant and Equipment | | 5,52,04,411 | - |
| (e) | Liabilities no longer required written back | | 3,01,40,189 | - |
| (f) | Miscellaneous Income | | 1,62,80,090 | 1,15,29,917 |
| | | | 15,50,96,650 | 6,24,48,684 |

28 Cost of Materials Consumed

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| | Raw Materials Consumed | | 5,50,04,66,725 | 4,64,62,15,119 |
| | | | 5,50,04,66,725 | 4,64,62,15,119 |

29 (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| | **Stock at the end of the year** | | | |
| | Finished Goods | | 67,26,18,467 | 48,63,95,194 |
| | | | 67,26,18,467 | 48,63,95,194 |
| | **Stock at the beginning of the year** | | | |
| | Finished Goods | | 48,63,95,194 | 47,15,73,580 |
| | | | 48,63,95,194 | 47,15,73,580 |
| | **(Increase)/ Decrease in inventories of Finished goods, Stock-in - Trade and Work-in-Progress** | | (18,62,23,273) | (1,48,21,614) |

## Notes to the Standalone Financial Statements

30 **Employee benefits expense**

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Salaries and wages | | 17,27,10,713 | 13,72,87,250 |
| (b) | Contribution to provident fund | 39 | 1,54,69,444 | 1,25,93,969 |
| (c) | Staff welfare expenses | | 4,89,34,280 | 3,53,23,705 |
| | | | 23,71,14,437 | 18,52,04,924 |

31 **Finance Costs**

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Interest Expense | | 43,30,83,005 | 38,77,33,816 |
| (b) | Other Borrowing Costs | | 3,26,21,693 | 2,96,56,085 |
| | | | 46,57,04,698 | 41,73,89,901 |

32 **Other Expenses**

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Consumption of stores and spares | | 30,65,85,771 | 37,61,33,712 |
| (b) | Power and Fuel | | 53,25,82,279 | 31,18,95,655 |
| (c) | Rent | 36 | 2,48,35,157 | 2,25,37,495 |
| (d) | Repairs to | | | |
| | Plant and machinery | | 1,65,35,584 | 21,75,511 |
| | Buildings | | 13,15,621 | 22,173 |
| | Others | | 3,11,18,853 | 67,09,251 |
| (e) | Insurance | | 54,64,643 | 52,19,468 |
| (f) | Rates and Taxes | 32.2 | 15,91,86,685 | 1,18,58,201 |
| (g) | Transportation Charges Paid | | 21,64,31,268 | 20,83,63,523 |
| (h) | Directors' Remuneration | | 3,61,69,000 | 3,24,39,000 |
| (i) | Carriage inward | | 4,74,92,984 | 5,03,22,449 |
| (j) | Excise duty paid and on stock | | 3,14,49,823 | 26,76,67,453 |
| (k) | Bank Charge | | 2,76,87,709 | 1,84,35,754 |
| (l) | Travelling and conveyance | | 2,06,94,690 | 1,62,31,659 |
| (m) | Legal and professional fees | | 1,17,47,762 | 2,59,69,591 |
| (n) | Security Charges | | 56,39,046 | 64,02,294 |
| (o) | Exchange Gain/Loss | | 33,77,744 | (91,696) |
| (p) | Telephone and communication | | 20,04,992 | 24,12,628 |
| (q) | Hire Charges | | 42,50,330 | 59,31,758 |
| (r) | Advertising and sales promotion | | 48,90,830 | 39,93,695 |
| (s) | Payment to Auditor | 32.1 | 16,90,000 | 11,45,200 |
| (t) | Loss on Investments in Subsidiary - Held for sale | 14.1 | 12,71,730 | - |
| (u) | Miscellaneous expenses | | 18,27,69,539 | 10,53,09,357 |
| | | | 1,67,52,12,040 | 1,48,10,84,131 |

32.1 **Payment to Auditor includes:**

Amount in Rs.

| | Particulars | Note No. | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|---|---|
| (a) | Audit Fees | | 10,00,000 | 9,25,000 |
| (b) | Tax Audit Fees | | - | 75,000 |
| (c) | Certification and other reports | | 6,90,000 | 70,000 |
| (d) | Reimbursement of expenses | | - | 75,200 |
| | | 32.1.1 | 16,90,000 | 11,45,200 |

32.1.1 **Includes Payment to Previous Auditor :**

Amount in Rs.

| | Particulars | Note No. | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|---|---|
| (a) | Audit Fees | | - | 9,25,000 |
| (b) | Tax Audit Fees | | - | 75,000 |
| (c) | Certification and other reports | | - | 70,000 |
| (d) | Reimbursement of expenses | | - | 75,200 |
| | | | - | 11,45,200 |

**32.2** Includes Rs. 14,36,89,162 (Previous year Rs. Nil) being payment made to Sales Tax authorities under Settlement of Dispute scheme

**32.3** **Disclosures as required in terms of Indian Accounting Standard 11 on "Construction Contracts" as follows:**

| | Particulars | Note No. | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|---|---|
| | Contract Revenue Recognition for the year | | 22,83,165 | 58,19,537 |
| | Total costs incurred and recognised profits for contracts in progress at the reporting date | | 14,44,867 | 51,53,070 |
| | Advance Received | | - | - |
| | Amount of Retention for contracts in progress at reporting date | | - | - |
| | Gross Amount due from customers for contract work | | - | - |

**33 Tax Expense**

Amount in Rs.

| | Particulars | Note No. | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|---|---|
| | Tax Expense | 33.1 | 20,51,62,997 | 9,51,39,216 |
| | | | 20,51,62,997 | 9,51,39,216 |

**33.1 Components of Tax Expense**

| | Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|---|
| | Current tax | 20,70,91,058 | 9,02,78,502 |
| | Deferred tax | (19,28,061) | 48,60,714 |
| | **Total tax expense recognised in the current year** | 20,51,62,997 | 9,51,39,216 |

**33.2 Reconciliation of Income Tax Expenses for the year with accounting profit as follows:**

Taxable income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows :

Amount in Rs.

| | Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|---|
| | **Profit before tax** | 71,65,05,564 | 43,42,51,724 |
| | Income tax expense calculated at 34.608% | 24,79,68,245 | 15,02,85,837 |
| | **Add: Effect of Expenses that are not deductible in determining taxable profit** | | |
| | Expenses not allowed for tax purpose | 1,80,086 | 2,26,18,836 |
| | Certain expenses to be allowed on payment basis | 27,98,821 | 19,11,716 |
| | **Less : Effect of Expense/Income that are deductible/not taxable in determining taxable profit** | | |
| | Depreciation as per Income tax Act, 1961 | 2,20,54,254 | 3,47,00,816 |
| | Effect of other adjustments | 2,37,29,901 | 4,49,76,356 |
| | **Income Tax recognised in profit and loss** | 20,51,62,997 | 9,51,39,216 |

The tax rate used for reconciliations above is 30% as applicable for corporate entities on taxable profits under the Indian tax laws.

**33.3 Income Tax recognised in Other Comprehensive Income**

Amount in Rs.

| Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|
| **Deferred tax (charge)/ Credit on** | | |
| Remeasurement of defined benefit obligation | (16,91,566) | 6,89,830 |
| **Total income tax recognised other comprehensive income** | (16,91,566) | 6,89,830 |
| **Bifurcation of the income tax recognized in Other comprehensive income into :** | | |
| Items that will be reclassified to profit or loss | - | - |
| Items that will not be reclassified to profit or loss | (16,91,566) | 6,89,830 |

**33.4 Components of Other Comprehensive Income**

Amount in Rs.

| Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|
| **Items that will not be reclassified to profit or (loss)** | | |
| Remeasurement of defined benefit obligation(Net of Tax) | 31,96,222 | (13,03,438) |
| | 31,96,222 | (13,03,438) |

34 Contingent Liabilities, Contingent Assets and Commitments (to the extent not provided for)

Amount in Rs.

| A. Contingent Liabilities | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| **Claims against the Company not acknowledged as Debt** | | | |
| i. Counter guarantee issued by company to bank,in respect of bank guarantee issued | **34,15,36,097** | 57,14,63,632 | 43,54,16,200 |
| ii. Corporate guarantee issued by company on behalf of subsidiary company Sail Bansal Service Centre Limited (to the extent of Borrowings there against) | **34,67,870** | 1,09,69,120 | 1,87,50,000 |
| iii. Income tax demands under appeal | **2,18,22,390** | 1,63,54,600 | 2,11,93,530 |

34.A.1 The Company's pending litigation comprises of claim against the Company and proceeding pending tax/statutory/Government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Standalone Financial Statements. The Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgments / decisions.

34.A.2 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainities that surround the related events and circumstances.

| B. Capital Commitment | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Capital commitments (net of advances) | **1,38,48,000** | 1,61,84,297 | 1,13,20,599 |

35 Trade Receivabeles,Trade payables and advances recoverable are subject to confirmation/reconciliation and consequential adjustments,if any arising thereof.In the opinion of the management,current assets,loans and advances will have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.

36 **Operating lease disclosures**

The Company has certain operating lease arrangements for factory land with tenure extending upto 30 years. Terms of such lease arrangement include escalation clause for rent whereby the rent for the aforementioned lease is liable to be doubled after 4 years and thereafter may be revised after every 20 years in accordance with the rules framed by the Government of Jharkhand or the lessor Expenditure incurred on account of rent during the year and recognized in the Statement of Profit and Loss amounts to Rs.20,57,594 (P.Y.-Rs.20,57,594)

37 **Earnings Per Share**

| | Particulars | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|
| a) | Profit /(Loss) after Tax for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss(Rs.) | 51,13,43,567 | 33,91,12,500 |
| b) | Number of Equity Shares (Nos) | | |
| | (i) Weighted average number of equity shares outstanding during the period | 22,50,86,460 | 22,50,86,460 |
| | (ii) Dilutive Potential Equity shares | Nil | Nil |
| | Nominal value per equity share (Rs.) | 1 | 1 |
| c) | Earnings per share of Equity share of Re.1 each (in Rs.) - Basic (a/b(i)) | 2.27 | 1.51 |
| d) | Earnings per share of Equity share of Re.1 each (in Rs.) - Diluted (a/b(i)) | 2.27 | 1.51 |

38 **Segment Reporting**

(i) The Company has one operating business segment viz., manufacturing ,processing and selling of steel and steel products comprising of engineering and other products and services and all other activities are incidental to the same.

**(ii) Geographical Segment**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| **Revenue by Geographical market** | | |
| Sale of Products and Services | | |
| - Domestic | 9,35,36,72,452 | 7,70,31,87,203 |
| - Export | 9,31,71,821 | 6,76,66,508 |
| **Total** | 9,44,68,44,273 | 7,77,08,53,711 |
| **Assets** | | |
| Trade Receivable | | |
| - Within India | 2,08,95,16,089 | 1,81,28,65,065 |
| - Outside India | - | - |
| **Total** | 2,08,95,16,089 | 1,81,28,65,065 |

**(iii) Information about Major Customer**

Revenue from operation include revenue from a public company which account for more than 10% and amounting to Rs 3,43,89,07,920 (March 31,2017- Rs. 2,86,81,01,719 )

## 28 Employee Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.This is an unfunded plan.

The Company also has certain Defined Contribution plans.Contributions are made to provident fund in India at the rate of 12% of salary of the employees covered as per the regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

As per Indian Accounting Standard 19 "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits are given below:

### i) Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognized for the year are as under :

( Amount in Rs.)

| Particulars | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|
| Employer's Contribution to Provident Fund | 72,40,094 | 61,35,205 |
| Employer's Contribution to Employee State Insurance | 25,49,769 | 13,80,008 |

### ii) Defined Benefit Scheme

The Company has defined benefit plan comprising of gratuity. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) actuarial Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

( Amount in Rs.)

| | For Gratuity (Unfunded) | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|
| A . | **Change in fair value of Defined Benefit Obligation :** | | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 2,53,51,822 | 1,92,60,181 | 1,37,18,024 |
| | Current Service Cost | 31,35,815 | 32,42,879 | 26,94,612 |
| | Past Service Cost | 1,03,234 | | |
| | Interest Cost | 18,97,175 | 14,23,224 | 10,86,145 |
| | Benefit Paid | 14,26,362 | 5,67,730 | 2,82,429 |
| | Actuarial (Gain) / Losses | (48,87,788) | 19,93,268 | 20,43,829 |
| | **Present Value of Defined Benefit Obligations as at the end of the year** | 2,41,73,896 | 2,53,51,822 | 1,92,60,181 |
| B . | **Change in Fair Value of plan Assets :** | | | |
| | Fair value of Plan Assets at the beginning of the year | - | - | - |
| | Expected Return on Plan assets | - | - | - |
| | Contributions by the Employers | - | - | - |
| | Benefit paid | - | - | - |
| | Actuarial Gains/(Losses) | - | - | - |
| | **Fair value of plan Assets at the end of the year** | - | - | - |

| | | | | |
|---|---|---|---|---|
| C. | **Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:** | | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | **2,41,73,896** | 2,53,51,822 | 1,92,60,181 |
| | Fair value of Plan Assets at the end of the year | - | - | - |
| | **Liability /(Assets) recognized in the Balance Sheet** | **2,41,73,896** | 2,53,51,822 | 1,92,60,181 |
| D. | **Components of Defined Benefit Cost** | | | |
| | Current Service Cost | **31,35,815** | 32,42,879 | 26,94,612 |
| | Past Service Cost | **1,03,234** | - | - |
| | Interest Cost | **18,97,175** | 14,23,224 | 10,86,145 |
| | Expected Return on Plan Assets | - | - | - |
| | Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI | **(48,87,788)** | 19,93,268 | 20,43,829 |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss and OCI** | **2,48,436** | 66,59,371 | 58,24,586 |
| E. | **Principal Actuarial Assumptions used** | | | |
| | Discounted Rate (per annum) Compound | **7.70%** | 7.50% | 8.00% |
| | Salary inflation Rate | **6.00%** | 6.00% | 6.00% |
| | Mortality Rate | | IALM 2006-2008 ULTIMATE | |
| | Attrition Rate | **1.00%** | 1.00% | 1.00% |
| | Retirement age | | 60 years | |
| | Expected Rate of return on Plan Assets | **NA** | NA | NA |

(Amount in Rs.)

| | Experience History | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|---|---|---|---|---|---|
| F. | **Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)** | | | | | |
| | Present Value of Defined Benefit Obligations | **2,41,73,896** | 2,53,51,822 | 1,92,60,181 | 1,37,18,024 | - |
| | Fair value of Plan Assets | - | - | - | - | - |
| | Status [Surplus/(Deficit)] | **2,41,73,896** | 2,53,51,822 | 1,92,60,181 | 1,37,18,024 | - |
| | Experience Adjustment on Plan Assets [Gain/(Loss)] | | | | | |
| | Experience Adjustment on Obligation [Gain/(Loss)] | | | | | |

Note: Liability for defined benefit obligation has been recognised based on actuarial valuation from the year 2014-15 onwards and as such,figures for the year 2013-14 could not be furnished.

G. **Sensitivity analysis**

| Particulars | 31.03.2018 | | 31.03.2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%) | 2,25,68,508 | 2,59,48,502 | 2,36,60,348 | 2,72,25,322 |
| %Change Compared to base due to sensitivity | -6.641% | 7.341% | -6.672% | 7.390% |
| Salary Growth (-/+ 0.5%) | 2,59,60,347 | 2,25,45,059 | 2,72,01,237 | 2,36,50,968 |
| %Change Compared to base due to sensitivity | 7.390% | -6.738% | 7.295% | -6.709% |
| Attrition Rate (-/+ 0.5%) | 2,41,73,171 | 2,41,74,621 | 2,53,44,723 | 2,53,58,921 |
| %Change Compared to base due to sensitivity | -0.003% | 0.003% | -0.028% | 0.028% |
| Mortality Rate (-/+ 10%) | 2,41,90,334 | 2,41,57,458 | 2,53,66,780 | 2,53,36,864 |
| %Change Compared to base due to sensitivity | 0.068% | -0.068% | 0.059% | -0.059% |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

H. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

| Particulars | Gratuity (Rs.) |
|---|---|
| 01 Apr 2017 to 31 Mar 2018 | 18,83,864 |
| 01 Apr 2018 to 31 Mar 2019 | 6,19,884 |
| 01 Apr 2019 to 31 Mar 2020 | 4,11,811 |
| 01 Apr 2020 to 31 Mar 2021 | 6,55,981 |
| 01 Apr 2021 to 31 Mar 2022 | 7,40,369 |
| 01 Apr 2022 Onwards | 8,88,90,257 |

I.

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Average no of people employed | 623 | 705 |

## 40 Related Party Transactions

Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Name of related parties and related party relationship:

| Name of related parties and related party relationship | |
|---|---|
| Subsidiary Companies | SAIL Bansal Service Centre Limited |
| | Confident Financial Consultancy Private Limited |
| | Perfect Investment Consultancy Private Limited |
| | Sidhant Investment Advisory Private Limited |
| | Siddhi Vinayak Commosales Private Limited |
| | Shri Hari Vincom Private Limited |
| | Narayan Dealcom Private Limited |
| | Parijaat Vintrade Private Limited |
| | Nageshwar Tradelink Private Limited |
| | Bansal Nepal Private Limited **(Refer Note No. 14.1)** |
| Key Managerial Personnel | Ram Gopal Bansal |
| | Harish Kumar Bansal |
| | Vivek Kumar Bansal |
| Enterprises over which Key Managerial Personnel has significant influence | JIT Transport Organisation |
| | Enaach Commercial Private Limited |
| | Pioneer Goods Private Limited |
| | Jayamala Commercial Private Limited |

B) Nature of Transaction with the related parties referred to in serial no. ( A ) above

Amount in Rs.

| Nature Of Transactions | Note No. | For The Year Ended 31.03.2018 | For The Year Ended 31.03.2017 |
|---|---|---|---|
| **(i) Sales** | | | |
| Sail Bansal Service Centre Ltd | | 9,49,426 | - |
| **(ii) Rent Paid** | | | |
| Ramgopal Bansal | | 15,00,000 | 15,00,000 |
| **(iii) Remuneration** | | | |
| Ramgopal Bansal | | 1,56,00,000 | 1,56,00,000 |
| Harish Bansal | | 1,02,00,000 | 84,00,000 |
| Vivek Bansal | | 1,02,00,000 | 84,00,000 |
| **(iv) Purchase** | | | |
| Sail Bansal Service Centre Limited | | - | 48,16,328 |
| **(v) Rent Received** | | | |
| JIT Transport Organisation | | 21,20,000 | - |

C) Balances of Related parties is as follows:

Amount in Rs.

| Particulars | Note No. | As At 31st Mar 2018 | As At 31st Mar 2017 | As At 1st Apr 2016 |
|---|---|---|---|---|
| **(i) Outstanding Balances (Receivables)** | | | | |
| Bansal Nepal Private Limited - interest free | | 2,21,10,731 | 2,21,10,731 | 2,21,10,731 |
| Sail Bansal Service Centre Limited | | 4,24,88,503 | 6,00,25,720 | 5,19,55,276 |
| JIT Transport Organisation | | 21,15,400 | - | - |
| **(ii) Outstanding Balances (Payable)** | | | | |
| Sail Bansal Service Centre Limited | | 3,82,287 | - | - |
| Shri Hari Vincom Private Limited | | 1,27,99,800 | - | - |
| Perfect Investment Consultancy Private Limited | | 1,83,98,590 | - | - |
| Enaach Commercial Private Limited | | - | 20,00,000 | 20,00,000 |
| Pioneer Goods Private Limited | | - | 50,00,000 | 50,00,000 |
| Jayamala Commercial Private Limited | | - | 1,50,000 | 1,00,000 |

D) The remuneration of directors and other members of key management personnel during the year as follows:

Amount in Rs.

| Particulars | As At 31st Mar 2018 | As At 31st Mar 2017 |
|---|---|---|
| Short-term employee benefits | 3,60,00,000 | 3,24,00,000 |
| Post-employment benefits* | - | - |
| *Excluding contribution to gratuity fund | | |

In respect of above parties there is a provision of Rs. Nil (March 31, 2017 Nil , April 1 2016 - Nil) as on 31st March, 2018 and no amount has been written off or written back during the year in respect of debts due from/to them.

E) The above related parties information is as identified by the management and relied upon by the auditor.

## 41 FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows :-

(Amount in Rs.)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets (Current and Non-Current)** | | | | | | |
| **Financial Assets measured at Amortised Cost** | | | | | | |
| Trade Receivables | 2,08,95,16,089 | 2,08,95,16,089 | 1,81,28,65,065 | 1,81,28,65,065 | 1,77,89,85,178 | 1,77,89,85,178 |
| Cash and cash equivalents | 50,82,839 | 50,82,839 | 1,45,30,021 | 1,45,30,021 | 95,40,623 | 95,40,623 |
| Other Bank Balances | 9,61,43,076 | 9,61,43,076 | 6,74,32,361 | 6,74,32,361 | 5,89,92,336 | 5,89,92,336 |
| Loans | 1,24,32,725 | 1,24,32,723 | 1,69,32,558 | 1,69,32,558 | 1,57,44,498 | 1,57,44,498 |
| Other Financial Assets | 4,13,55,747 | 4,13,55,747 | 5,28,66,539 | 5,28,66,539 | 6,51,59,416 | 6,51,59,416 |
| **Financial Liabilities (Current and Non-Current)** | | | | | | |
| **Financial Liabilities measured at Amortised Cost** | | | | | | |
| Borrowings | 4,27,89,42,749 | 4,27,89,42,749 | 4,71,18,75,611 | 4,71,18,75,611 | 5,25,97,23,349 | 5,25,97,23,349 |
| Trade Payables | 63,29,12,468 | 63,29,12,468 | 24,26,73,298 | 24,26,73,298 | 27,55,10,522 | 27,55,10,522 |
| Other Financial Liabilities | 7,12,80,909 | 7,12,80,908 | 9,64,76,258 | 9,64,76,258 | 7,69,43,477 | 7,69,43,477 |

**Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values :

The fair value of cash and cash equivalents,trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the Standalone Financial Statements approximate their fair values.

Fair value of Long term debt approximates their carrying value subject to adjustments made for transaction cost.

The non current financial assets represent security deposits given to government authorities and for the purpose of day-to-day utilities of the Company and therefore the need of fair valuation does not arise in such a case.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Fair value of Security deposits and Unsecured Loans from Bodies Corporate have been determined on Effective Interest Rate method(EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument.

**FINANCIAL RISK FACTORS**

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, trade receivables and other receivables, Deposits and investments.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised below:

**MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and trade receivables.

**Interest Rate Risk**

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and others. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the company's cash flows as well as costs. There are certain borrowings at fixed interest rate which exposes the company to the fair value interest rate risk, however exposure in such borrowings is not significant.

Further there are deposits with banks which are for short term period and are exposed to interest rate risk, falling due for renewal.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on the Profit or Loss with respect to floating rate portion of loans and borrowings.

Amount in Rs.

| Nature of Borrowing | Increase in basis points | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|---|
| Rupee Loan | +0.50 | 1,80,48,506 | 1,52,75,179 |
| Foreign Currency Loan | +0.50 | 20,79,369 | 22,96,779 |

A decrease in0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's Standalone Financial Statements

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade receivables and trade payables.

The Company evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows :

**Amount in Rs.**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| | Borrowings | Borrowings | Borrowings |
| USD | 61,47,49,676 | 78,14,72,089 | 33,83,48,705 |

| Particulars | For The Year Ended 31st March, 2018 | For The Year Ended 31st March, 2017 |
|---|---|---|
| Payables (Weaking of INR by 5%) | | |
| USD | (3,07,37,484) | (3,90,73,604) |

Figures in bracket represent Loss.

A 5% stregthening of INR would have an equal and opposite effect on the Company's Standalone Financial Statements.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations 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 and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis.The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company's exposure of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the Standalone Financial Statements,represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being well established, large and unrelated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents and deposits are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise.

**LIQUIDITY RISK**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from banks.The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficent to meet its short to medium term fund requirement.

**Liquidity and interest risk tables**

The following tables detail the Company's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date.

Interest rate and currency of borrowings

As at March 31, 2018

Amount in Rs.

| Particulars | Total Borrowings | Fixed Rate Borrowings | Floating Rate Borrowings | Interest free borrowings | Weighted average interest rate (%) |
|---|---|---|---|---|---|
| Borrowings in INR | 3,98,21,60,334 | 10,00,30,146 | 3,20,98,69,452 | 67,22,60,737 | 9.73% |
| Borrowings in Foreign Currency (USD) | 61,47,49,676 | - | 61,47,49,676 | - | 7.41% |

As at March 31, 2017

Amount in Rs.

| Particulars | Total Borrowings | Fixed Rate Borrowings | Floating Rate Borrowings | Interest free borrowings | Weighted average interest rate (%) |
|---|---|---|---|---|---|
| Borrowings in INR | 4,28,48,50,535 | 12,27,49,477 | 3,55,47,58,697 | 60,73,42,361 | 7.88% |
| Borrowings in Foreign Currency (USD) | 78,14,72,089 | - | 78,14,72,089 | - | 6.44% |

**Maturity Analysis of unamortised Financial Liabilities**

**As at March 31, 2018**

Amount in Rs.

| Particulars | Carrying Amount | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 4,59,69,10,011 | 2,22,41,66,072 | 27,36,70,228 | 26,05,75,151 | 1,83,84,98,558 | 4,59,69,10,011 |
| Trade payables | 63,29,12,468 | - | 63,29,12,468 | - | - | 63,29,12,468 |
| Other Liabilities | 7,12,80,908 | 8,27,540 | 7,04,53,368 | | | 7,12,80,908 |

As at March 31, 2017

Amount in Rs.

| Particulars | Carrying Amount | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 5,06,63,22,624 | 2,26,43,00,103 | 23,88,37,659 | 24,50,48,198 | 2,31,81,36,664 | 5,06,63,22,624 |
| Trade payables | 24,26,73,298 | - | 24,26,73,298 | - | - | 24,26,73,298 |
| Other Liabilities | 9,64,76,258 | - | 9,64,76,258 | - | - | 9,64,76,258 |

As at April 01, 2016

Amount in Rs.

| Particulars | Carrying Amount | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 5,64,87,71,275 | 2,36,54,65,494 | 24,76,92,987 | 22,84,42,313 | 2,80,71,70,481 | 5,64,87,71,275 |
| Trade payables | 27,55,10,522 | - | 27,55,10,522 | - | - | 27,55,10,522 |
| Other Liabilities | 7,69,43,477 | - | 7,69,43,477 | - | - | 7,69,43,477 |

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.
The company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as high financial flexibility for potential future borrowings.

**The gearing ratio is as follows:**

Amount in Rs.

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Borrowings | 4,27,89,42,748 | 4,71,18,75,611 | 5,25,97,23,349 |
| Less : Cash and Cash Equivalents | 50,82,839 | 1,45,30,021 | 95,40,623 |
| Net Debt | 4,27,38,59,909 | 4,69,73,45,590 | 5,25,01,82,726 |
| Equity | 4,80,64,96,849 | 4,25,29,50,467 | 3,91,51,41,396 |
| Equity and Net Debt | 9,08,03,56,759 | 8,95,02,96,058 | 9,16,53,24,122 |
| Gearing Ratio | 0.47 | 0.52 | 0.57 |

## 42 First time Ind AS adoption reconciliation

In terms of IND AS 1C, "First Time Adoption of Indian Accounting Standards" the required reconciliation of Equity, Other Comprehensive Income and Cash Flows with respect to the figures reported under the previous GAAP are as under:

### 42.1 Effect of Ind AS adoption on the balance sheet as at 01-04-2016(Transition date) and 31-3-2017

Amount in Rs.

| | | Particulars | Refer Note. 42.7 | Previous GAAP Balance Sheet as at 1st April 2016 | Effect of transition to Ind AS | IND AS Balance Sheet As at 1st April 2016 | Previous GAAP Balance Sheet as at March 31, 2017 | Effect of transition to Ind AS | IND AS Balance Sheet As at March 31, 2017 |
|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | |
| | | **Non-current Assets** | | | | | | | |
| (a) | | Property, Plant nd Equipment | (i) & (iia1) | 5,55,08,54,835 | (6,88,84,723) | 5,48,19,70,112 | 5,49,08,25,307 | (8,77,66,572) | 5,40,30,58,735 |
| (b) | | Capital Work-in progress | | 24,19,48,927 | - | 24,19,48,927 | 35,20,55,151 | - | 35,20,55,151 |
| (c) | | Other intangibleassets | | 19,38,729 | - | 19,38,729 | 12,92,486 | - | 12,92,486 |
| (d) | | Financial Assets | | | | | | - | |
| | i) | Investments | | 9,83,62,262 | - | 9,83,62,262 | 9,83,62,262 | - | 9,83,62,262 |
| | ii) | Other Financial assets | (iii), (vi) | 1,93,05,702 | 3,16,83,361 | 5,09,89,063 | 1,77,22,212 | 2,27,51,697 | 4,04,73,909 |
| (e) | | Other Non current assets | (i) & (ii) | 15,49,62,355 | 1,49,79,590 | 16,99,41,945 | 15,54,68,185 | 3,04,16,801 | 18,58,84,986 |
| | | | | **6,06,73,72,810** | **(2,22,21,772)** | **6,04,51,51,038** | **6,11,57,25,603** | **(3,45,98,074)** | **6,08,11,27,529** |
| | | Current Assets | | | | | | | |
| (a) | | Inventories | | 1,79,31,30,669 | - | 1,79,31,30,669 | 1,79,24,57,602 | - | 1,79,24,57,602 |
| (b) | | Financial Assets | | - | | | | | |
| | (i) | Trade receivables | | 1,77,89,85,178 | - | 1,77,89,85,178 | 1,81,28,65,065 | - | 1,81,28,65,065 |
| | (ii) | Cash and cash equivalents | | 95,40,623 | - | 95,40,623 | 1,45,30,021 | - | 1,45,30,021 |
| | (iii) | Other Bank balances | | 5,89,92,337 | - | 5,89,92,336 | 6,74,32,361 | - | 6,74,32,361 |
| | (iv) | Loans | | 1,57,44,497 | - | 1,57,44,498 | 1,69,32,558 | - | 1,69,32,558 |
| | (v) | Others | (vi) | 51,70,353 | 90,00,000 | 1,41,70,353 | 33,92,630 | 90,00,000 | 1,23,92,630 |
| (c) | | Other current assets | (i) & (ii), (v) | 96,81,96,533 | (21,64,59,146) | 75,17,37,387 | 67,29,48,515 | (27,58,35,170) | 39,71,13,345 |
| | | | | **4,62,97,60,190** | **(20,74,59,146)** | **4,42,23,01,044** | **4,38,05,58,752** | **(26,68,35,170)** | **4,11,37,23,582** |
| | | **Total Assets** | | **10,69,71,33,000** | **(22,96,80,918)** | **10,46,74,52,082** | **10,49,62,84,355** | **(30,14,33,244)** | **10,19,48,51,111** |
| **EQUITY AND LIABILITIES** | | | | | | | | | |
| | | Equity | | | | | | | |
| (a) | | Equity Share Capital | | 22,50,86,460 | - | 22,50,86,460 | 22,50,86,460 | - | 22,50,86,460 |
| (b) | | Other Equity | 42.3 | 4,04,25,57,113 | (35,25,02,177) | 3,69,00,54,936 | 4,40,86,28,333 | (38,07,64,326) | 4,02,78,64,007 |
| | | | | **4,26,76,43,573** | **(35,25,02,177)** | **3,91,51,41,396** | **4,63,37,14,793** | **(38,07,64,326)** | **4,25,29,50,467** |
| | | **Non-current Liabilities** | | | | | | | |
| (a) | | Financial Liabilities | | | | | | | |
| | | Borrowing | (iia1), (iia2), (iib) | 2,80,71,70,481 | (38,90,47,926) | 2,41,81,22,555 | 2,31,81,36,665 | (35,44,47,013) | 1,96,36,89,652 |
| (b) | | Provisions | | 1,71,44,358 | - | 1,71,44,358 | 2,30,91,757 | - | 2,30,91,757 |
| (c) | | Deferred Tax Liabilities | (v) | 31,60,91,126 | 11,32,48,432 | 42,93,39,558 | 35,36,17,280 | 7,98,93,362 | 43,35,10,642 |
| (d) | | Other Non Current Liabilities | (iib), (vi) | - | 35,38,84,936 | 35,38,84,936 | - | 30,91,49,121 | 30,91,49,121 |
| | | | | **3,14,04,05,965** | **7,80,85,442** | **3,21,84,91,407** | **2,69,48,45,702** | **3,45,95,270** | **2,72,94,40,972** |
| | | **Current liabilities** | | | | | | | |
| (a) | | Financial Liabilities | | | | | | | |
| | i) | Borrowings | | 2,36,54,65,494 | - | 2,36,54,65,494 | 2,26,43,00,103 | - | 2,26,43,00,103 |
| | ii) | Trade Payables | | 27,55,10,522 | - | 27,55,10,522 | 24,26,73,299 | - | 24,26,73,298 |
| | iii) | Other Financial Liabilities | | 55,30,78,777 | - | 55,30,78,777 | 58,03,62,114 | - | 58,03,62,114 |
| (b) | | Other current liabilities | (iib), (vi) | 9,24,96,008 | 4,47,35,815 | 13,72,31,823 | 7,81,28,179 | 4,47,35,812 | 12,28,64,091 |
| (c) | | Provisions | | 25,32,663 | - | 25,32,663 | 22,60,065 | - | 22,60,065 |
| | | | | **3,28,90,83,464** | **4,47,35,815** | **3,33,38,19,279** | **3,16,77,23,860** | **4,47,35,812** | **3,21,24,59,672** |
| | | **Total Equity a d Liabilities** | | **10,69,71,33,002** | **(22,96,80,920)** | **10,46,74,52,082** | **10,49,62,84,355** | **(30,14,33,244)** | **10,19,48,51,111** |

**Notes to the Standalone Financial Statements**

**42.2 Effect of IND AS adoption on the Statement of Profit and Loss for the year ended 31st March 2017**

Amount in Rs.

| Particulars | Note No. | Previous GAAP Statement of Profit or Loss for the year ended 31st March 2017 | Effect of transition to IND AS | IND AS Statement of Profit or Loss for the year ended 31st March 2017 |
|---|---|---|---|---|
| **Revenue** | | | | |
| I. Revenue from Operations | | 7,77,08,53,711 | - | 7,77,08,53,711 |
| II. Other Income | (ii), (viii) & (ix) | 1,76,44,533 | 4,48,04,151 | 6,24,48,684 |
| **III. Total Income (I+II)** | | **7,78,84,98,244** | **4,48,04,151** | **7,83,33,02,395** |
| **Expenses** | | | | |
| Cost of Materials Consumed | | 4,64,82,11,119 | - | 4,64,82,11,119 |
| Purchase of Stock-in-Trade | | 25,32,49,821 | - | 25,32,49,821 |
| (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress | | (1,48,21,654) | - | (1,48,21,654) |
| Employee Benefits Expenses | (iv) | 18,71,98,182 | (19,93,268) | 18,52,04,914 |
| Finance costs | (iia1), (iia2) & (iib) | 38,27,88,088 | 3,46,00,913 | 41,73,89,001 |
| Depreciation and amortisation expense | (iia1) | 45,20,20,220 | (12,87,331) | 45,07,32,889 |
| Other Expenses | (i) & (ii) | 1,47,74,72,674 | 36,11,457 | 1,48,10,84,131 |
| **IV. Total Expenses** | | **7,36,41,18,900** | **3,49,31,771** | **7,39,90,50,671** |
| **V. Profit/(loss) before tax (III-IV)** | | **42,43,79,344** | **98,72,380** | **43,42,51,724** |
| **VI. Tax expense:** | | | | |
| (1) Current tax | (v) | 3,97,83,970 | 5,04,94,532 | 9,02,78,502 |
| (2) Deferred tax | (v) | 2,75,24,154 | (2,26,63,440) | 48,60,714 |
| **Tax expense** | | **6,73,08,124** | **2,78,31,092** | **9,51,39,216** |
| VII. Profit/(Loss) for the year after Tax (V-VI) | | **35,70,71,220** | **(1,79,58,712)** | **33,91,12,508** |
| **VIII. Other Comprehensive Income** | | | | |
| **Items that will not be reclassified to Profit or Loss** | | | | |
| Re-measurement gains/ (losses) on defined benefit plans | (iv) | - | (19,93,268) | (19,93,268) |
| Income tax relating to items that will not be reclassified to Profit or Loss | | - | 6,89,830 | 6,89,830 |
| **Other Comprehensive Income for the year after tax** | | - | **(13,03,438)** | **(13,03,438)** |
| **IX. Total Comprehensive Income for the year (VII+VIII)** | | **35,70,71,220** | **(1,92,62,150)** | **33,78,09,070** |

**42.3 Reconciliation of Total Equity as given below:**

Amount in Rs.

| Particulars | Note No. | As at March 31, 2017 | As at 1st April 2016 |
|---|---|---|---|
| **Total Equity(Shareholders' Funds) under previous GAAP** | | **4,63,37,14,793** | **4,26,76,43,573** |
| **IND AS Adjustment** | | | |
| Effect of adjustment of Processing Fees for Property, Plant & Equipments | | (99,81,513) | (55,28,018) |
| Effect of Fair Valuation of Financial Instruments | | 3,11,52,818 | 1,95,90,590 |
| Effect of de recognition of Lease Rentals | | (4,01,49,409) | (3,66,95,148) |
| Effect of recognition of Government Grant receivable under capital promotion incentive scheme | | (41,06,450) | 14,65,247 |
| Recognition of deffered tax on asset base of Property Plant & Equipment and others | | (33,06,75,712) | (33,33,38,450) |
| **Total Equity as per IND AS** | | **4,23,29,50,467** | **3,91,51,41,396** |

Notes to the Standalone Financial Statements

**42.4 Reconciliation of Total Comprehensive income for the year ended March 31, 2017**

Amount in Rs.

| | Particulars | Notes | For the year ended March 31, 2017 |
|---|---|---|---|
| 1 | **Net Profit under previous GAAP** | | **35,70,71,220** |
| | **Adjustments** | | |
| | Increase in other income as per Effective Interest Method | | 68,336 |
| | Increase in Finance Costs as per Effective Interest Method | | (3,46,00,913) |
| | Effect of present value of financial instruments | | 4,47,35,815 |
| | Effect of de-recognition of lease rentals | | (23,24,126) |
| | Gain on adjustment for gratuity amount recognized in other comprehensive income | | 19,93,268 |
| | Recognition of deffered tax on asset base of Property,Plant & Equipment and others | | (2,78,31,092) |
| 2 | **Total Effect on Conversion to Ind AS** | | **(1,79,58,712)** |
| 3 | **Net profit for the period under Ind AS (1+2)** | | **33,91,12,508** |
| 4 | Other Comprehensive Income for the period (net of tax) | 33.4 | (13,03,438) |
| 5 | **Total Comprehensive Income under Ind AS (3+4)** | | **33,78,09,070** |

**42.5 Reconciliation of Statement of Cash Flow for the year ended March 31, 2017**

There were no material differences between the Statement of Cash Flows presented under IND AS and the previous GAAP.

**42.6 FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions**

These Standalone Financial Statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS Standalone Financial Statements for the year ended March 31, 2018.

**i) Overall principle:**

a) The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occuring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition.

b) However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

**ii) Deemed cost for Property, Plant and Equipment and Intangible assets:**

The Company has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized

as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

**iii) Impairment of financial assets**

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**iv) Determining whether an arrangement contains a lease**

The Company as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.

**v) Investment in Subsidiaries and Associates**

The Company has elected to measure its investment in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**vi) Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

**42.7 Explanatory Notes to reconciliation between Previous GAAP and Ind AS**

**(i) Accounting of Leasehold Land**

(a) Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments. Consequently, as on the transition date April 1, 2016 carrying amount of the leasehold land amounting to Rs. 5,02,12,669 has been decapitalized and remaining unamortised portion as on transition date amounting to Rs. 325,00,665 have been shown as prepayments under Ind AS with corresponding decrase on equity by Rs. 177,12,004. Further payments made for Lease hold Land during the year March 31, 2017 were also decapitalised and transferred to Prepayments under Ind AS and accordingly the value of Lease hold Land have been reduced by Rs. 2,01,69,178 with corresponding increase in Prepayments during the year ended 31st March 2017. Subsequent changes for the year ended March 31, 2017 amounting to Rs. 16,73,756 shown under Other Expenses has been recognised in the Statement of Profit and Loss.

(b) Ind AS requires expense relating to operating leases to be accounted for on straight line basis where the escalation vary because of factors other than general inflation. In entity's case, rent for the aforementioned lease is liable to be doubled after 4 years. Thus, this has resulted in decrease in Equity by Rs. 1,89,83,143 with corresponding increase of Lease liability as on the date of transition and the subsequent changes for the year ended March 31, 2017 amounting to Rs. 17,80,586 shown under Other Expenses has been recognised in the Statement of Profit and Loss.

**(ii) Fair Valuation of Financial Assets & Liabilities**

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of profit and loss.

On transition, the company has fair valued certain financial assets including Security Deposits. This has resulted in decrease in Security Deposits by Rs.43,16,639, recognition of Deferred Loss on fair valuation of Financial Instrument RS. 32,92,939 and decrease in total Equity Rs. 10,23,700 as on April 1, 2016 and the subsequent changes for the year ended March 31, 2017 amounting to Rs. 1,57,115 shown under Other Expense and Rs. 68,336 shown under Other Inome has been recognised in the Statement of Profit and Loss.

**(iii) Borrowings**

**(a) Term Loan from Banks and Others**

1. Under previous GAAP, transaction costs incurred for raising finance from Bank in respect of acquiring Property, Plant & Equipments was considered as part of cost of Property, Plant & Equipments and are capitalised with the PPE. Under Ind AS,Transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition as Financial liability consisting of long term borrowings are to be fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. These costs are recognized over the tenure of the borrowing as part of the interest cost by applying Effective Interest Rate method. Such interest costs are added with the cost of PPE till the PPE are ready for use.Accordingly, as on the transition date April 1, 2016, the carrying amount of the Property ,Plant & Equipment amounting to Rs. 1,86,72,014 has been decapitalized with corresponding decrease of Long Term Borrowings by Rs. 94,84,978 and decrease in Equity by Rs. 91,87,076 and subsequent changes for the year ended March 31, 2017 amounting to Rs. 12,87,331 shown under Depreciation and Finance Costs Rs. 34,87,579 has been recognised in the Statement of Profit and Loss.

2. Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit or Loss in the year in which such costs were incurred.

Under Ind AS, financial liability consisting of long term borrowings are to fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. the transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition date, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by Rs 38,63,060 as on April 1, 2016 respectively with corresponding increase in total equity and subsequent changes for the year ended March 31, 2017 amounting to Rs. 14,57,249 shown under Finance Costs has been recognised in the Statement of Profit and

**(b)Unsecured loan from Bodies Corporate:**Under Previous GAAP, receivables and payables were recognised at transaction value.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The resulting changes are either recognised under finance income or expenses in the Statement of profit and loss.

On transition, the company has fair valued unsecured Loans taken from Bodies corporate. This has resulted in decrease in unsecured Loan by Rs.37,56,99,888, recognition of Deferred Gains on fair valuation of Financial Instruments Rs. 35,50,85,998 and incrase in total Equity Rs. 2,06,13,890 as on April 1, 2016 and the subsequent changes for the year ended March 31, 2017 amounting to Rs.4,13,07,512 shown under other income and Rs. 2,96,56,085 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

**(iv) Remeasurement of Defined Benefit Plan**

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

This has resulted in reclassification of re-measurement gains on defined benefit plans (net of tax) of Rs. 13,01,438 for the year ended March 31, 2017 from Statement of profit and loss to OCI.

**(v) Taxation**

(a) In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT) and accordingly the carrying value of Minimum Alternate Tax credit entitlement amounting to Rs. 21,82,90,019 (Rs. 27,87,86,551 as on March 31, 2017) as per Previous GAAP shown under Other Current Assets as on April 1, 2016 being transition date have been reduced from Deferred Tax Liability under Ind AS. Consequently, Reversal of MAT Credit entitlement of Rs. 6,04,96,532 shown under Income Tax expenses for the year March 31, 2017 under previous GAAP have been reclassified as Deferred Tax Charges for the year ended March 31, 2017 under Ind AS.

(b) Deferred tax has been recognized in respect of accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by Rs. 11,15,38,451 as on April,1,2016 and subsequent changes for the year ended March 31, 2017 amounting to Rs. 2,71,41,242 shown under Deferred Tax charges has been recognised in the Statement of Profit and Loss.

**vi) Government Grant**

Grant of Rs. 450 Lakhs was approved to the company on 29th October 2015 for investment in Plant & Machinery in Jamshedpur under Capital promotion incentive Scheme on 29th October 2015.As per the terms and conditions of the grant,20% of the grant amount will be received in 5 year starting from 2016-17 .Subsidy received is recognized under Capital reserve under the previous GAAP.

Ind AS does not permit recognition of government grant in the nature of Capital Subsidy to capital reserve.Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset.

Accordingly, to comply with Ind AS- 20 the Company has recognized Government Grant aggregating to Rs. 4,50,00,000 as Government Grant Receivable with the corresponding recognition of Deferred income of Rs.4,35,34,753 and the differential impact aggregating to Rs. 14,65,247 has been transferred to retained earnings as at the transition date and the subsequent changes for the year ended March 31, 2017 amounting to Rs. 34,28,303 shown under Other Income in the Statement of Profit and Loss.Further receipt of 20% of the grant amounting to Rs. 90,00,000 shown under Capital reserve under previous GAAP by the Company have been adjusted from Government Grant receivable recognised under Ind AS on transition Date.

**vii) Corporate Guarantee**

Under previous GAAP, Corporate Guarantee issued by the Company on behalf of Subsidiary Companies was not recognised but disclosed as a Contingent Liability.

Under Ind AS, Corporate Guarantee issued by the company are designated as "Insurance Contracts". The company has classified the financial guarantee contract as contingent liability. Accordingly, there are no assets and liabilities recognised in the Balance Sheet under the contract.

viii) Previous GAAP figures have been reclassified to conform with IND AS presentation requirements for the purpose of these notes.

43. These financial statements have been approved by the Board of Directors of the Company on May 22, 2018 for issue to the shareholders for their adoption.

For and on behalf of the Board

| | | |
|---|---|---|
| For Lodha & Co.<br>Chartered Accountants<br>Firm's ICAI Regn No.-301051E<br>SD/-<br>H.K. Verma<br>Partner<br>Membership No. 055104<br>Place: Kolkata<br>Date: 22nd May, 2018 | SD/-<br>Ram Gopal Bansal<br>Chairman<br>DIN: 00144159<br><br>SD/-<br>Abhishek Agarwal<br>Chief Financial Officer | SD/-<br>Harsh Bansal<br>Managing Director<br>DIN: 00137014<br><br>SD/-<br>Arbind Jain<br>Company Secretary |

**INDEPENDENT AUDITORS' REPORT**

**To the Members of BMW INDUSTRIES LIMITED**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated financial statements of BMW Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act")(as amended) that give a true and fair view of the state of affairs (consolidated financial position), Profit or Loss (consolidated financial performance including other comprehensive income), Consolidated Cash Flows and Consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS financial statements.

**Basis for Qualified Opinion**

Attention is invited to the following matter: -

Note No. 4.1 of the Consolidated financial statement regarding non disclosures and fair valuation of investments in terms of Ind AS 109 " Financial Instruments" in the absence of details available with the certain Subsidiary Companies, the impact in this respect has not been ascertained presently.

Impacts with respect to above are presently not ascertainable and as such cannot be commented upon by us.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs (Financial Position) of the Group as at March 31, 2018 and their Consolidated Profit (financial performance including other comprehensive income), their Consolidated cash flows and the Consolidated changes in Equity for the year then ended.

**Other Matters**

(a) We did not audit the financial statements of eight subsidiaries incorporated in India, whose financial statements reflect Total Assets of Rs. 1,47,95,86,287 as at March 31, 2018, Total Revenues of Rs. 17,79,517 and Net Cash outflows of Rs. 9,85,476 for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors, whose reports have been furnished to us by the management of the Holding Company and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The comparative financial information of the Group for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor, M/s. Deoki Bijay & Co. Chartered Accountants, whose reports for the year ended 31st March 2017 and 31st March 2016 dated 24th August, 2017 and 25th August, 2016 respectively expressed unmodified opinion on those financial statements, as adjusted for the Group on transition to the Ind AS, which have been audited by us. Reliance has been placed by us on the said financial statements and the report issued thereupon for the purpose of this Consolidated financial statements and the report issued by us.

Our Opinion is not modified in respect of the above matters

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report to the extent applicable, that:

   a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;

   b) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books and the report of the other auditor;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

   d) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion above, the aforesaid Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the report of other statutory auditor of its subsidiaries, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   g) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Holding Company and subsidiaries, which are companies incorporated in India. Our report expresses an qualified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting; and

   h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 34 to the Consolidated Ind AS financial statements.

      ii. The Group did not have any long-term contracts, including derivative contracts as at 31st March, 2018, for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the investor education and protection fund by the subsidiaries during the year ended March 31, 2018.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

SD/-

Place: Kolkata
Date: May 26, 2018

H K Verma
Partner
Membership No: 055104

"Annexure A" referred to in our report of even date

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31st, 2018, we have audited the internal financial controls over financial reporting of BMW Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries incorporated in India as of that date.

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

The respective Board of Directors of the Holding Company and Subsidiaries incorporated in India are 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 Act, 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 ICAI. 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their report referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our qualified 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.

**Inherent 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.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit the following material weakness have been identified in the Company's internal financial controls over financial reporting as at March 31, 2018:

Note No. 4.1 of the Consolidated financial Statement regarding non disclosures and fair valuation of Investments in terms of Ind AS 109 " Financial Instruments" in the absence of details available with the Subsidiary Companies, the impact in this respect has not been ascertained presently.

A "material weakness" is a deficiency, or a combination of deficiencies, in the internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiaries have, 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, 2018, 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.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to eight subsidiary companies which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

Sd/-

H K Verma
Partner
Membership No: 055104

Place: Kolkata
Date: May 26, 2018

**BMW Industries Limited**
**Consolidated Balance Sheet as at 31st March, 2018**

| | ASSETS | Notes No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **Non-current Assets** | | | | |
| (a) | Property, Plant and Equipment | 2 | 5,16,06,04,461 | 5,46,84,94,853 | 5,55,75,60,702 |
| (b) | Capital Work-in-progress | | 21,47,66,958 | 35,23,52,870 | 24,22,46,646 |
| (c) | Intangible Assets | 3 | 6,46,243 | 12,92,486 | 19,38,729 |
| (d) | Financial Assets | | | | |
| i) | Investments | 4 | 78,64,02,620 | 85,24,58,620 | 86,84,89,620 |
| ii) | Other Financial Assets | 5 | 3,27,32,966 | 4,16,16,515 | 5,21,31,669 |
| | Deferred Tax Assets (Net) | 19 | 41,43,643 | 45,88,355 | 26,03,896 |
| (e) | Other Non current assets | 6 | 20,03,78,579 | 19,28,68,619 | 17,76,46,249 |
| | **Total Non-current Assets** | | 6,39,96,75,470 | 6,91,36,72,318 | 6,90,26,17,511 |
| | **Current Assets** | | | | |
| (a) | Inventories | 7 | 2,25,46,68,914 | 1,79,98,12,343 | 1,80,03,48,347 |
| (b) | Financial Assets | | | | |
| (i) | Trade receivables | 8 | 2,15,41,76,321 | 1,83,05,77,682 | 1,79,76,94,425 |
| (ii) | Cash and cash equivalents | 9 | 85,43,310 | 1,91,49,466 | 1,38,26,826 |
| (iii) | Other Bank balances | 10 | 9,43,41,076 | 6,74,32,361 | 5,89,92,336 |
| (iv) | Loans | 11 | 58,87,01,549 | 59,20,17,271 | 57,51,84,136 |
| (v) | Others | 12 | 90,00,000 | 1,23,92,630 | 1,41,70,353 |
| (c) | Other current assets | 13 | 45,14,84,436 | 33,59,91,909 | 68,54,73,596 |
| | **Total Current Assets** | | 5,56,27,15,606 | 4,65,73,73,662 | 4,94,76,90,019 |
| | 5 | | | | |
| (d) | Assets Classified as held for sale | 14 | 3,05,21,580 | - | - |
| **Total Assets** | | | 11,99,29,12,656 | 11,57,10,45,980 | 11,85,03,07,530 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| (a) | Equity Share Capital | 15 | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |
| (b) | Other Equity | 16 | 5,93,75,45,832 | 5,34,13,70,194 | 5,00,57,31,971 |
| | Equity attributable to Equity Shareholders of the Parent | | 6,16,26,32,292 | 5,56,64,56,654 | 5,23,08,18,431 |
| | Non Controlling Interest | | 66,00,223 | 53,58,048 | 65,01,342 |
| | **Total Equity** | | 6,16,92,32,515 | 5,57,18,14,702 | 5,23,73,19,773 |
| **Non-current Liabilities** | | | | | |
| (a) | Financial Liabilities | | | | |
| | Borrowings | 17 | 1,52,05,31,294 | 1,96,55,60,146 | 2,42,74,66,048 |
| (b) | Provisions | 18 | 2,44,10,705 | 2,48,76,959 | 1,86,08,339 |
| (c) | Deferred Tax Liabilities (Net) | 19 | 43,32,73,947 | 43,51,88,882 | 43,09,19,532 |
| (d) | Other Non Current Liabilities | 20 | 26,44,13,305 | 30,91,49,121 | 35,38,84,936 |
| | **Total Non-current Liabilities** | | 2,24,26,29,251 | 2,73,47,75,108 | 3,23,08,78,855 |
| **Current liabilities** | | | | | |
| (a) | Financial Liabilities | | | | |
| i) | Borrowings | 21 | 2,22,49,66,072 | 2,27,18,83,779 | 2,38,63,22,860 |
| ii) | Trade Payables | 22 | 64,13,76,723 | 27,00,29,406 | 29,27,94,656 |
| iii) | Other Financial Liabilities | 23 | 61,33,16,139 | 59,47,93,647 | 56,12,29,792 |
| (b) | Other current liabilities | 24 | 5,34,59,896 | 12,52,43,992 | 13,90,28,578 |
| (c) | Provisions | 25 | 4,79,32,060 | 25,05,346 | 27,33,016 |
| | **Total Current liabilities** | | 3,58,10,50,890 | 3,26,44,56,170 | 3,38,21,08,902 |
| | **Total liabilities** | | 5,82,36,80,141 | 5,99,92,31,278 | 6,61,29,87,757 |
| **Total Equity and Liabilities** | | | 11,99,29,12,656 | 11,57,10,45,980 | 11,85,03,07,530 |

Summary of significant accounting policies 1
Notes on Consolidated Financial Statements 2 to 44
These notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E
SD/-
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 25th May, 2018

SD/-
Ram Gopal Bansal
Chairman
DIN: 00144159

SD/-
Harsh Bansal
Managing Director
DIN: 00137014

SD/-
Abhishek Agarwal
Chief Financial Officer

SD/-
Arbind Jain
Company Secretary

**BMW Industries Limited**

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2018**

Amount in Rs.

| Sl No. | Particulars | Notes | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| I | Revenue from operations | 26 | 9,48,29,31,484 | 7,79,42,92,175 |
| II | Other Income | 27 | 15,69,93,266 | 6,65,09,998 |
| III | **Total Income (I + II)** | | 9,63,99,24,750 | **7,86,08,02,173** |
| IV | **EXPENSES** | | | |
| | (a) Cost of materials consumed | 28 | 5,50,00,89,394 | 4,64,62,15,119 |
| | (b) Purchases of Stock in Trade | | 71,72,65,199 | 25,32,45,321 |
| | (c) (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress | 29 | (18,11,54,658) | (1,49,44,371) |
| | (d) Employee benefits expense | 30 | 24,34,70,141 | 19,13,76,677 |
| | (e) Finance costs | 31 | 46,73,72,972 | 42,13,62,156 |
| | (f) Depreciation and amortisation expense | 2 & 3 | 48,26,61,883 | 44,08,87,362 |
| | (g) Other expenses | 32 | 1,69,01,70,797 | 1,49,34,70,864 |
| | **Total Expenses (IV)** | | 8,91,98,75,728 | **7,43,16,13,128** |
| V | **Profit before tax (III - IV)** | | 72,00,49,022 | **42,91,89,045** |
| VI | Tax Expense | | | |
| | (1) Current tax | | 20,72,81,888 | 9,02,78,502 |
| | (2) Deferred tax- Charge/(Credit) | 19 | (15,19,170) | 30,15,779 |
| | **Total tax expense** | | 20,57,62,718 | **9,32,94,281** |
| VII | **Profit for the year (V-VI)** | | 51,42,86,304 | **33,58,94,764** |
| VIII | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | -Remeasurement gains / (losses) on defined benefit plans | | 49,61,773 | (21,30,723) |
| | -Income tax relating to items that will not be reclassified to profit or loss | 33.3 | (17,27,387) | 7,30,888 |
| | **Other Comprehensive Income for the year(net of tax)** | 33.4 | 32,34,386 | (13,99,835) |
| IX | **Total comprehensive income for the year (VII + VIII)** | | 51,75,20,690 | **33,44,94,929** |
| | **Profit for the year Attributable to :** | | | |
| | **- Owners of the Company** | | 51,30,59,395 | **33,69,99,499** |
| | **- Non Controlling Interests** | | 12,26,909 | **(11,04,735)** |
| | **Other Comprehensive Income for the year :** | | | |
| | **- Owners of the Company** | | 32,19,120 | **(13,61,276)** |
| | **- Non Controlling Interests** | | 15,266 | **(38,559)** |
| | **Total Comprehensive Income for the year :** | | | |
| | **- Owners of the Company** | | 51,62,78,515 | **33,56,38,223** |
| | **- Non Controlling Interests** | | 12,42,175 | **(11,43,294)** |
| X | **Earnings per Equity share (of par value Re 1 each):** | | | |
| | (1) Basic | 37 | 2.28 | 1.50 |
| | (2) Diluted | 37 | 2.28 | 1.50 |

| | |
|---|---|
| Summary of significant accounting policies | 1 |
| Notes on Consolidated Financial Statements | 2 to 44 |

These notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Bansal
Managing Director
DIN: 00137014

H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 26th May, 2018

Abhishek Agarwal
Chief Financial Officer

Arbind Jain
Company Secretary

BMW Industries Limited
Consolidated Cash Flow for the year ended 31st March, 2018

(Amount in Rs.)

| | | 31st March, 2018 | | 31st March, 2017 |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS** | | 72,00,49,033 | | 47,81,88,045 |
| **ADJUSTMENTS FOR :** | | | | |
| Depreciation | 48,26,81,883 | | 44,08,87,992 | |
| Finance Costs | 46,71,72,972 | | 42,13,61,156 | |
| Liabilities no longer required written back | (3,01,43,189) | | - | |
| Interest Income | (86,60,075) | | (81,14,616) | |
| Profit on sale of Property, Plant and Equipment | (5,52,04,411) | | | |
| Loss on Fair Valuation of Financial Instruments | 12,71,730 | | | |
| | | 85,73,01,010 | | 85,81,34,902 |
| **OPERATING EXPENSES BEFORE WORKING CAPITAL CHANGES** | | 1,57,73,50,033 | | 1,28,53,23,947 |
| **ADJUSTMENTS FOR :** | | | | |
| Trade & other receivables | (32,35,88,640) | | (3,18,83,257) | |
| Inventories | (45,46,94,571) | | 5,56,095 | |
| Loans and Advances | (8,15,54,843) | | 36,96,76,765 | |
| Trade Payable and Other Liabilities | 29,05,37,649 | | (9,13,56,470) | |
| | | (57,04,72,505) | | 28,59,94,836 |
| **CASH GENERATED FROM OPERATIONS** | | 1,00,68,77,528 | | 1,57,13,18,783 |
| Direct Taxes Paid | | (8,79,30,693) | | (10,74,32,467) |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | | 91,89,46,835 | | 1,46,38,86,297 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | | | |
| Purchase of Fixed Assets | (8,17,09,806) | | (46,00,23,576) | |
| Sale of Fixed Assets | 6,67,21,179 | | 12,98,252 | |
| Interest Received | 86,60,075 | | 81,14,616 | |
| Bank Deposits having maturity more than three months | (9,57,15,980) | | (40,40,025) | |
| Sale of Investments | 3,42,62,690 | | 1,60,21,000 | |
| Unsecured Loan Given | | | (2,21,79,000) | |
| **NET CASH FLOW FROM INVESTING ACTIVITIES** | | (1,18,09,042) | | (46,83,83,423) |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Interest Paid | (46,73,72,972) | | (42,13,62,156) | |
| Proceeds From Bank Borrowing | (44,72,17,789) | | (56,88,10,878) | |
| Payment of Dividend including Taxes | (27,09,087) | | - | |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | | (91,73,99,847) | | (99,01,82,034) |
| **NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)** | | (1,02,22,053) | | 53,22,640 |
| **Cash & Cash Equivalents (Opening Balance)** | | 1,91,49,466 | | 1,38,26,826 |
| **Less: Adjustment of cash and cash equivalents of Subsidiary included above at the beginning of the year on account of assets classified as held for sale during the year** | | 3,84,103 | | |
| **Cash & Cash Equivalents (Closing Balance) - Refer Note No. 9** | | 85,43,310 | | 1,91,49,466 |

**Reconciliation of Liabilities arising from Financing activities**

| Particulars | As at 31st March 2017 | Proceeds raised | Repayment | Finance Cost/ Non cash Adjustments | As at 31st March 2018 |
|---|---|---|---|---|---|
| Long Term Borrowings | | | | | |
| - From Bank | 2,23,47,23,742 | 42,76,336 | (45,06,25,756) | | 1,85,23,55,992 |
| - From others | 9,25,20,120 | 45,21,608 | (5,00,11,006) | | 4,70,49,527 |
| - From bodies corporate | 38,12,99,054 | 7,55,01,283 | (2,05,83,867) | 3,25,21,094 | 35,86,58,429 |
| Short Term Borrowings | | | | | |
| - From Bank | 1,27,10,85,775 | 1,25,67,57,835 | (1,26,36,75,432) | | 2,23,41,66,077 |
| - From Bodies Corporate | 8,00,000 | | | | 8,00,000 |
| **Total** | **4,75,04,28,408** | **1,34,10,56,823** | **(1,87,38,96,303)** | **3,26,21,095** | **4,28,32,10,618** |

Note:
The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.

Summary of significant accounting policies 1
Notes on Consolidated Financial Statements 2 to 44
These notes are an integral part of the Consolidated Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No. 301051E
SD/-
R.K. Verma
Partner
Membership No. 055134
Place: Kolkata
Date: 28th May, 2018

SD/-
Ram Gopal Bansal
Chairman
DIN: 00144159

SD/-
Harsh Bansal
Managing Director
DIN: 00137014

SD/-
Abhishek Agarwal
Chief Financial Officer

SD/-
Arbind Jain
Company Secretary

BMW Industries Limited

Consolidated Statement of changes in Equity for the year ended 31st March, 2018

(a) Equity Share Capital

| Particulars | Amount in Rs. |
|---|---|
| **Balance as at April 1, 2016** | 22,50,86,460 |
| Changes during the year | - |
| **Balance As at March 31, 2017** | 22,50,86,460 |
| Changes during the year | - |
| **Balance as at March 31, 2018** | 22,50,86,460 |

(b) Other Equity

Amount in Rs.

| Particulars | Reserves and Surplus | | | | Attributable to owners of the parent | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | | | |
| **Balance as at 01.04.2016** | 1,39,62,31,051 | 1,66,82,96,900 | 22,07,29,328 | 1,72,04,74,692 | 5,00,57,31,971 | 65,01,342 | 5,01,22,33,313 |
| Profit for the year | - | - | - | 33,69,99,499 | 33,69,99,499 | (11,04,735) | 33,58,94,764 |
| Other Comprehensive Income for the year arising from Remeasurement of defined benefit obligation (Net of Income Tax) | - | - | - | (13,61,276) | (13,61,276) | (38,559) | (13,99,835) |
| Less : Share of Minority Interest | | | | | | | |
| **Balance As at 31.03.2017** | 1,39,62,31,051 | 1,66,82,96,900 | 22,07,29,328 | 2,05,61,12,915 | 5,34,13,70,194 | 53,58,048 | 5,34,67,28,242 |
| Payment of dividends | - | - | - | (22,50,865) | (22,50,865) | | (22,50,865) |
| Tax on dividends paid | - | - | - | (4,58,222) | (4,58,222) | | (4,58,222) |
| Profit for the year | - | - | - | 51,30,59,395 | 51,30,59,395 | 12,26,909 | 51,42,86,304 |
| Other Comprehensive Income for the year arising from Remeasurement of defined benefit obligation (Net of Income Tax) | - | - | - | 32,19,120 | 32,19,120 | 15,266 | 32,34,386 |
| Adjustment for change in ownership interest | | | | 4,08,89,530 | 4,08,89,530 | | 4,08,89,530 |
| Forfeiture of convertible Warrants **(Refer Note No. 16.1.2)** | 4,17,16,680 | - | - | - | 4,17,16,680 | | 4,17,16,680 |
| **Balance As at 31.03.2018** | 1,43,79,47,731 | 1,66,82,96,900 | 22,07,29,328 | 2,61,05,71,873 | 5,93,75,45,832 | 66,00,223 | 5,94,41,46,055 |

Refer Note No. 16 for nature and purpose of reserves

| | |
|---|---|
| Summary of significant accounting policies | 1 |
| Notes on Consolidated Financial Statements | 2 to 44 |

These notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E
SD/-
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 26th May, 2018

For and on behalf of the Board

SD/-
Ram Gopal Bansal
Chairman
DIN: 00144159

SD/-
Harsh Bansal
Managing Director
DIN: 00137014

SD/-
Abhishek Agarwal
Chief Financial Officer

SD/-
Arbind Jain
Company Secretary

**Note 1-Summary of significant accounting policies**

## A. Corporate Information

BMW Industries Limited ('the Company'), a public limited company, is incorporated at Kolkata, in the State of West Bengal. The corporate office as well as registered office of the Company is situated at 119 Park Street, White House, 3rd Floor, Kolkata, West Bengal- 700016. The Company's shares are listed on The Calcutta Stock Exchange Limited. The Company is primarily engaged into manufacturing, processing and selling of steel products comprising of engineering and other products and services and activities related to the same.

The consolidated financial statements relate to BMW Industries Limited (hereinafter referred to as 'the Company') and its Subsidiaries (collectively hereinafter referred to as ' Group') as detailed below:

**Investment in Subsidiaries**

| Name of subsidiary | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/voting rights held by the Company | | |
|---|---|---|---|---|---|
| | | | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| | | | | | |
| Sail Bansal Service Centre Limited | Processing of Steel | India | 60.00% | 60.00% | 60.00% |
| Bansal Nepal Private Limited* | Manufacturing | Nepal | 0.00% | 100.00% | 100.00% |
| Confident Financial Consultancy Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Perfect Investment Consultancy Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Sidhant Finvest Advisory Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Sidhi Vinayak Comosales Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Shri Hari Vinicam Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Narayana Dealcom Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Fairplan Vintrdae Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| Nageshwara Tradelink Private Limited | Investment | India | 100.00% | 100.00% | 100.00% |
| | | | | | |

* The Company entered into a Share Purchase Agreement (SPA) on 04th April, 2017 for sale of its entire shareholding in Bansal Nepal Private Limited and accordingly has been classified as held for sale as given in Note No. 14.1 of the Consolidated Financial Statements.

## B. Statement of Compliance and Recent Pronouncements

### i) Statement of Compliance

The Group excepting as stated in Note No. 4.2 relating to fair valuation of investments held by the certain Subsidiary Companies has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore IND ASs issued, notified and made effective till the Consolidated financial statements are authorized have been considered for the purpose of preparation of these Consolidated financial statements.

These are the Group's first Ind AS Consolidated Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The Consolidated financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Group. Previous period figures in the Consolidated Financial Statements have now been recasted/restated to make it comparable with current year's figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Group has presented in Note No. 42 a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Group on First-time adoption have been detailed in Note No. 42 of the Consolidated financial statement.

**ii) Recent Pronouncements**

**Standards issued but not yet effective:**

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2018 on March 28, 2018, whereby Ind AS-115 relating to "Revenue from Contracts with Customers" and Appendix B to Ind AS 21 relating to "Foreign Currency Transactions and advance considerations" has been made applicable from financial year 2018-19 (i.e. April 1, 2018 onwards).

**Ind AS-115 - Revenue from Contracts with Customers**

The Standard replaces the existing Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". Ind AS 115 establishes the principles that an entity shall apply to recognize revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity is entitled in exchange for those goods or services and to disclose useful information to users of Consolidated financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

**Ind AS 21 – Appendix B - Foreign currency transactions and advance consideration**

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

The Group is evaluating the requirements of the same and its effect on the Consolidated Financial Statements.

## C. Significant Accounting Policies

### a. Basis of Preparation

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in IND AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to nearest rupee except otherwise stated.

### b. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
(b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
(c) Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### c. Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

**Subsidiaries**

i. Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:
   a. Power over the investee
   b. Exposure or rights to variable returns from its involvement with the investee
   c. The ability to use its power over the investee to affect its returns

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

ii. The Group combines the financial statements of the Company and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.

iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

iv. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.

v. Non-controlling interest's share of net profit of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.

vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

**Non-controlling Interest**

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

**Business Combination and Goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

**d. Property Plant and Equipment (PPE)**

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Interest on Borrowings used to finance the construction of qualifying assets are capitalised as part of cost of the asset untill such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period more than twelve months and meets the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss when incurred.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, trial run expenses and attributable borrowing cost. Such items are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use.

**Depreciation and Amortization**

Depreciation on PPE is provided as per Schedule II of the Companies Act, 2013 on written down value method.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows:

| Category | Useful Life in years |
|---|---|
| Buildings | 30 |
| Plant and Equipment | 3-30 |
| Furniture and fixtures | 3-20 |
| Vehicles | 6-15 |
| Computer | 3-15 |

Depreciation on subsequent expenditure on Property, Plant and Equipments rising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation methods, useful lives and residual values and are reviewed and adjusted as appropriate, at each reporting date.

**e. Intangible Assets**

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**f. Derecognition of Tangible and Intangible assets**

An item of Property, Plant and Equipment and Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**g. Non-current assets held for sale**

Non current asset or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

**h. Investments in associates and joint ventures**

The Group records the investments in associates and joint ventures at cost less impairment loss, if any.

**i. Leases**

Leases are classified as finance leases whenever in terms of the lease, substantially all the risks and rewards incidental to the ownership of an asset to the Group are transferred to the lessee. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

**j. Impairment of Tangible and Intangible Assets**

Tangible and Intangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

**k. Financial assets and financial liabilities**

Financial assets and financial liabilities (financial instruments) are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Group or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**1) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**2) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the Financial instruments or, where appropriate, a shorter period.

**3) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

#### 4) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

#### 5) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables that result in relation to revenue from contracts with customers, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

#### 6) Derecognition of financial instruments

The Group derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

### I. Inventories

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

The cost in respect of ra materials is determined on First in First out basis (FIFO) and in respect of Finished Goods and Stores and Spares determined on Weighted average basis. Materials and other supplies held for use in the 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 of raw materials and stores and spares includes the taxes other than those recoverable from taxing authorities and expenses incidental to the procurement of the same. Cost in case of Finished goods represents prime cost and appropriate portion of overheads.

Stock of Work in Progress includes conversion or processing costs of material pending completion and delivery to the customer.

By-product and scrap is valued at net realisable value.

## m. Foreign Currency Transactions

### Presentation Currency

The Consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group.

### Transactions and Balances

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss.

## n. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as SecuritiesPremium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

## o. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period,taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the Consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

## p. Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution schemes such as Provident Fund are recognized as and when incurred.

Long-term employee benefits defined benefit scheme such as contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

**q. Revenue**

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods associated with the ownership of goods have been transferred or services have been rendered and the amount thereof can be measured reliably. Sales and conversion charges are inclusive of excise duty as applicable but net of Goods and Service Tax/sales tax/value added tax/service tax.

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Revenue in respect of claims of insurance, exports incentives etc. are recognized only when there is reasonable certainty as to the ultimate collection.

In respect of construction contracts revenue is recognized on percentage completion basis when completion level is minimum 10%. Completion level is the percentage of revenue earned to total contract value net of discount. Warranty cost, penalties or possible losses that are dependent upon future events are recognized as and when these are ascertained/ascertainable.

**r. Borrowing Costs**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**s. Government Grants**

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income"or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

**t. Taxes on Income**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

**u. Earnings Per Share**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**v. Segment Reporting**

The Group has one operating business segment viz, manufacturing, processing and selling of steel and steel products comprising of engineering and other products and services and all other activities are incidental to the same.

## D. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the Consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the Consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

**a. Arrangements containing leases and classification of leases**

The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**b. Depreciation / amortization of and impairment loss on property, plant and equipment / intangible assets.**

Property, plant and equipment are depreciated and intangible assets are amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation asset's recoverable amount is estimated which is higher of asset's or cash generating units' (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash lows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change in such expenses in future periods.

**c. Impairment loss on trade receivables**

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

**d. Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

e. **Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

f. **Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the

liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to the Consolidated Financial Statements

## 2. Property Plant and Equipment

Amount in Rs.

| Particulars | Freehold Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Total |
|---|---|---|---|---|---|---|
| **(A) Gross Carrying Value/Deemed Cost** | | | | | | |
| **As at April 1,2016** | **8,91,35,800** | 69,05,98,859 | **4,58,00,20,282** | **2,35,80,623** | **17,42,25,138** | 5,55,75,60,702 |
| Additions | 26,15,274 | 39,31,781 | 33,61,86,785 | 1,58,051 | 95,19,631 | 35,24,11,522 |
| Disposal | - | - | - | - | - | - |
| Other Adjustments | (33,09,800) | - | - | - | - | (33,09,800) |
| **As at March 31,2017** | **8,84,41,274** | **69,45,30,640** | **4,91,62,07,067** | **2,37,38,674** | **18,37,44,769** | 5,90,66,62,424 |
| Additions | 1,05,26,284 | 1,74,44,101 | 20,90,91,235 | 80,04,227 | 1,51,93,536 | 26,02,59,383 |
| Disposal | - | | (6,47,74,322) | (3,79,524) | (12,02,511) | (6,63,56,357) |
| Reclassified as held for sale | (37,56,696) | (79,91,434) | (1,31,71,673) | (7,087) | (22,666) | (2,49,49,556) |
| Other Adjustments | - | (43,55,782) | 5,28,91,277 | - | - | 4,85,35,495 |
| **As at March 31,2018** | **9,52,10,862** | **69,96,27,525** | **5,10,02,43,584** | **3,13,56,290** | **19,77,13,128** | 6,12,41,51,389 |
| | | | | | | |
| **(B) Accumulated Depreciation** | | | | | | |
| **As at April 1,2016** | - | - | - | - | - | - |
| Charge for the period | - | 2,84,52,395 | 37,60,58,615 | 40,15,423 | 3,17,14,686 | 44,02,41,119 |
| Disposal | | | (20,73,548) | - | - | (20,73,548) |
| Other Adjustments | - | - | | | | |
| **As at March 31,2017** | - | **2,84,52,395** | **37,39,85,067** | **40,15,423** | **3,17,14,686** | 43,81,67,571 |
| Charge for the period | - | 2,84,04,369 | 41,71,38,905 | 39,28,831 | 3,25,43,535 | 48,20,15,640 |
| Disposal | | | (69,41,957) | | | (69,41,957) |
| Reclassified as held for sale | | | (1,672) | (2,362) | (5,667) | (9,701) |
| Other Adjustments | - | - | 5,03,47,805 | (32,430) | - | 5,03,15,375 |
| **As at March 31,2018** | - | **5,68,56,764** | **83,45,28,148** | **79,09,462** | **6,42,52,554** | 96,35,46,928 |
| | | | | | | |
| **(C) Net Carrying Amount (A-B)** | | | | | | |
| **As at April 1,2016 (Deemed Cost)** | 8,91,35,800 | 69,05,98,859 | 4,58,00,20,282 | 2,35,80,623 | 17,42,25,138 | 5,55,75,60,702 |
| **As at March 31,2017** | 8,84,41,274 | 66,60,78,245 | 4,54,22,22,000 | 1,97,23,251 | 15,20,30,083 | 5,46,84,94,853 |
| **As at March 31,2018** | 9,52,10,862 | 64,27,70,761 | 4,26,57,15,436 | 2,34,46,828 | 13,34,60,574 | 5,16,06,04,461 |

**Notes:**

2.1 The Gross Block as on the date of transition i.e. April 01,2016 given herein above represents previous GAAP written down value of Property,Plant and Equipment considered as "deemed cost" as per the provision of Ind AS 101 "First-Time Adoption of Indian Accounting Standards"-Refer Note 42.7(i) and(iii).

2.2 Refer Note No. 17.1 and 21.1 to consolidated financial statement in respect of charge created on Property, Plant and Equipment against borrowings.

2.3 In respect of one of the Subsidiary Company valuation of Property Plant and Equipment has been carried out by an independent valuer as on 31st March, 2018 on "net realisable value" method. Based on the same the management is of the view that there is no indication ofimpairment of assets.

## 3. Intangible Assets

Amount in Rs.

| Particulars | Computer Software |
|---|---|
| **(A) Gross Block** | |
| **As at April 1,2016** | **19,38,729** |
| Additions | - |
| Disposal / Adjustments | - |
| **As at March 31,2017** | **19,38,729** |
| Additions | - |
| Disposal / Adjustments | - |
| **As at March 31,2018** | **19,38,729** |
| | |
| **(B) Accumulated Depreciation** | |
| **As at April 1,2016** | - |
| Charge for the period | 6,46,243 |
| Other Adjustments | - |
| **As at March 31,2017** | **6,46,243** |
| Charge for the period | 6,46,243 |
| Other Adjustments | - |
| **As at March 31,2018** | **12,92,486** |
| | |
| **(C) Net Carrying Amount (A-B)** | |
| **As at April 1,2016 (Deemed Cost)** | **19,38,729** |
| **As at March 31,2017** | **12,92,486** |
| **As at March 31,2018** | **6,46,243** |

**Notes:**

3.1 The Gross Block as on the date of transition i.e. April 01,2016 given herein above represents previous GAAP written down value of Other Intangible Assets considered as "deemed cost" as per the provision of Ind AS 101 "First-Time Adoption of Indian Accounting Standards".

Notes to the Consolidated Financial Statements

Amount in Rs.

4 Non Current Investments

| Particulars | As at 31.03.2018 | | As at 31.03.2017 | | As at 01.04.2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Investments measured at Fair Value through Other Comprehnsive Income | | | | | | |
| In equity Instruments | | | | | | |
| Unquoted | | | | | | |
| In Bodies Corporate | | 78,64,02,620 | | 85,24,58,620 | | 86,84,89,620 |
| | | 78,64,02,620 | | 85,24,58,620 | | 86,84,89,620 |
| Aggregate amount of unquoted investments | | 78,64,02,620 | | 85,24,58,620 | | 86,84,89,620 |

4.1 Investment in Bodies Corporate respresents investments made by certain subsidiaries details whereof and resultant fair valuation are pending compilation. As such, required disclosure and the fair valuation in terms of Ind AS 109, "Financial Instruments", has not been carried out and the same, therefore has been carried at cost.

5 Other Non Current Financial Assets

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **At amortised cost** | | | | |
| (a) | Security Deposits | | 77,27,701 | 1,46,16,515 | 1,42,31,669 |
| (b) | Fixed Deposit with Bank (having maturity more than 12 months) | 5.1 | 70,05,265 | - | 19,00,000 |
| (c) | Grant Receivable | 5.2 | 1,80,00,000 | 2,70,00,000 | 3,60,00,000 |
| | | | 3,27,32,966 | 4,16,16,515 | 5,21,31,669 |

**Notes:**

5.1 Kept as lien against issue of Bank guarantee and Letter of credit.

5.2 **Nature and Extent of Grant**

Represents grant of Rs. 4,50,00,000 approved to Holding Company on 29th October 2015 against investment in Plant & Machinery in Jamshedpur under capital promotion incentive scheme.As per the terms of the scheme , 20% of the grant amount will be received by the Holding Company for 5 years starting from 2016-17.

There are no unfulfilled conditions and other contingencies attaching to government assistance.

6 Other Non Current Assets

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Prepayments | | 2,95,82,573 | 3,44,21,725 | 1,93,68,708 |
| (b) | Capital Advance | | 16,79,74,413 | 15,54,68,185 | 15,49,62,355 |
| (c) | Deferred Loss on fair valuation of Financial Instrument | | 28,21,593 | 29,78,709 | 31,35,824 |
| (d) | Security Deposits | | - | - | 1,79,362 |
| | | | 20,03,78,579 | 19,28,68,619 | 17,76,46,249 |

Notes to the Consolidated Financial Statements

**7 Inventories(Valued at lower of cost or Net realisable Value)**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Raw materials | | 1,09,75,80,576 | 91,39,11,944 | 91,77,15,340 |
| (b) | Finished goods | 7.1 | 67,26,18,467 | 49,16,29,685 | 47,15,73,580 |
| (c) | Work in Progress | | 30,80,62,991 | 28,77,62,499 | 29,68,36,175 |
| (d) | Stores and Spares | | 17,64,06,880 | 10,62,84,939 | 10,87,65,485 |
| ( e ) | Stock-in-trade | 7.1 | - | 88,660 | 19,73,222 |
| (f) | Scrap | 7.1 | - | 1,34,616 | 34,84,545 |
| | | | 2,25,46,68,914 | 1,79,98,12,343 | 1,80,03,48,347 |

**Notes:**

7.1 Excise Duty included in inventory

Amount in Rs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Finished Goods | - | 5,40,43,910 | 5,39,82,629 |
| Stock-in-trade | - | - | 2,09,396 |
| Scrap | - | - | 3,87,172 |
| | - | 5,40,43,910 | 5,45,79,197 |

7.2 Refer Note No. 17.1 and 21.1 to consolidated financial statements in respect of charge created on inventories against borrowings.

7.3 Cost of inventory recognised as expense during the year amounted to Rs. 7,84,42,44,186 (March 31,2017: Rs.6,25,77,00,323)

**8 Trade Receivables**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Trade Receivables | | 2,15,41,76,321 | 1,83,05,77,682 | 1,80,12,92,219 |
| | | | 2,15,41,76,321 | 1,83,05,77,682 | 1,80,12,92,219 |
| | Less: Impairment Allowance for receivables | 8.5 | - | - | 35,97,794 |
| | | | 2,15,41,76,321 | 1,83,05,77,682 | 1,79,76,94,425 |
| | **Classification of trade receivables (Gross)** | | | | |
| | Secured, considered good | | - | - | - |
| | Unsecured, considered good | | 2,15,41,76,321 | 1,83,05,77,682 | 1,79,76,94,425 |
| | Doubtful | | - | - | 35,97,794 |
| | | | 2,15,41,76,321 | 1,83,05,77,682 | 1,80,12,92,219 |

**Notes:**

8.1 The average credit period for conversion is 90 days. Complete Trade Receivables are Non- interest bearing.

8.2 Age of Receivable :

Amount in Rs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Within the credit period | 2,07,26,37,981 | 1,80,36,26,249 | 1,74,90,09,298 |
| 1-180 days past due | 1,97,61,905 | 76,07,343 | 84,23,686 |
| More than 180 days past due | 6,17,76,435 | 1,93,44,090 | 4,38,59,235 |
| Total | 2,15,41,76,321 | 1,83,05,77,682 | 1,80,12,92,219 |

8.3 Refer Note No. 17.1 and 21.1 to consolidated financial statement in respect of charge created on Trade Receivable against borrowings.

8.4 The Group has reviewed its account receivable based on the financial condition of the customer after considering the current economic environment case to case basis.Based on such review,there does not exist such circumstances requiring any impairment in these Consolidated Financial Statements.

The concentration of credit risks in respect of manufactured goods sold is limited due to customer base being backed by large number of unrelated parties. In respect of services provided, the Group's significant revenues are derived from one customer which is a well established public limited company in India and therefore concentration of credit risk is limited.

8.5 Movement of impairment allowances for receivables :

Amount in Rs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Balances at Beginning of Year | - | 35,97,794 | 6,66,797 |
| Add: Impairment Allowances recognised during the year | - | - | 29,30,997 |
| Less: Impairment Allowances written back during the year | - | 35,97,794 | - |
| **Balances at End of the Year** | - | - | 35,97,794 |

Notes to the Consolidated Financial Statements

9 Cash and cash equivalents

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Balances with banks | | | | |
| | In Current accounts | | 51,79,528 | 1,82,60,376 | 1,22,12,588 |
| | In Cash Credit accounts | | 20,55,664 | 9,545 | 9,545 |
| | In Dividend account | | 8,27,541 | - | - |
| (b) | Cash on hand | | 4,80,577 | 8,79,545 | 16,04,693 |
| | | | 85,43,310 | 1,91,49,466 | 1,38,26,826 |

10 Other Bank balances

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Fixed Deposit with Bank (having original maturity of more than 3 months) | 10.1 | 9,61,41,076 | 6,74,32,361 | 5,89,92,336 |
| | | | 9,61,41,076 | 6,74,32,361 | 5,89,92,336 |

Notes:

10.1 Kept as lien against issue of Bank guarantee and Letter of credit

11 Loans

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **At Amortised Cost** | | | | |
| | **Unsecured,considered good** | | | | |
| | Loans and advances to employees | | 1,24,32,725 | 1,70,03,179 | 1,57,88,434 |
| | Loans to Bodies Corporate, etc | | 57,62,68,824 | 57,50,14,092 | 56,03,95,702 |
| | | | 58,87,01,549 | 59,20,17,271 | 57,61,84,136 |

12 Other Financial Assets

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **At Amortised Cost** | | | | |
| (a) | Grant Receivable | 5.2 | 90,00,000 | 90,00,000 | 90,00,000 |
| (b) | Security Deposit | | - | 33,92,630 | 51,70,353 |
| | | | 90,00,000 | 1,23,92,630 | 1,41,70,353 |

**13 Other Current Assets**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Advance to vendors | | 40,54,69,216 | 8,86,68,977 | 54,81,54,591 |
| (b) | Balances with government authorities | | 1,86,40,354 | 9,73,61,100 | 2,81,42,888 |
| (c) | Advance Income Tax ( Net of provision) | | - | 12,21,97,049 | 10,50,23,065 |
| (d) | Surplus in Gratuity Fund | | 5,80,962 | 5,80,962 | 5,80,962 |
| (e) | Advance to related parties | | 2,18,28,444 | 2,21,79,889 | - |
| (f) | Prepaid expenses | | 14,72,770 | 15,11,242 | 21,99,910 |
| (f) | Prepayments | | 33,35,575 | 33,35,575 | 22,15,065 |
| (g) | Deferred Loss on fair valuation of Financial instrument | | 1,57,115 | 1,57,115 | 1,57,115 |
| | | | **45,14,84,436** | **33,59,91,909** | **68,64,73,596** |

**14 Assets classified as held for sale**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Investment in equity shares of a subsidiary | 14.1 | 3,05,21,580 | - | - |
| | | | 3,05,21,580 | - | - |

14.1 The Holding Company entered into a Share Purchase Agreement (SPA) on 04th April, 2017 inter-alia with M/S Anand Itta Bhata Udyog Private Limited for sale of its entire shareholding in Bansal Nepal Private Limited consisting of 508693 equity shares of Rs. 60/- each subject to compliance and completion of the formalities under the Foreign Exchange Management Act and the conditions precedent in terms of the Sale Purchase Agreement . Consequently, the said investments has been classified as held for sale at its realisable value as on 31st March 2018 and loss of Rs. 12,71,730 in this respect has been shown under Other expenses **(Note No. 32)**

## 15 Equity Share Capital

Amount in Rs.

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|
| **Authorised:** | | | | |
| **500000000 Equity Shares of Re. 1 each**<br>*(31.03.2017: 500000000 Equity Shares of Re. 1 each)*<br>*(01.04.2016: 50000000 Equity Shares of Rs. 10 each)* | | 50,00,00,000 | 50,00,00,000 | 50,00,00,000 |
| | | 50,00,00,000 | 50,00,00,000 | 50,00,00,000 |
| **Issued,Subscribed and fully paid up:** | | | | |
| **225086460 Equity Shares of Re. 1 each**<br>*(31.03.2017: 225086460 Equity Shares of Re. 1 each)*<br>*(01.04.2016: 22508646 Equity Shares of Rs. 10 each)* | | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |
| | | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |

**Notes:**

15.1 The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

15.2 There has been no changes/movements in number of shares outstanding at the beginning and at the end of the reporting period.

15.3 **Shareholders holding more than 5% equity shares**

No. of Shares

| Company Name | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Ram Gopal Bansal | 3,57,50,000 | 3,57,50,000 | 35,75,000 |
| Harsh Kumar Bansal | 1,84,47,250 | 1,84,47,250 | 18,44,725 |
| Vivek Kumar Bansal | 1,40,22,080 | 1,40,22,080 | 14,02,208 |

15.4 The face value of equity shares of Rs. 10/- each has been subdivided into the value of Re. 1/- per equity share with effect from March 7, 2017, being the record date. Accordingly the number of shares has increased from said date.

## 16 Other Equity

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Capital Reserve | 16.1 | 1,43,79,47,731 | 1,39,62,31,051 | 1,39,62,31,051 |
| (b) | Securities Premium Reserve | 16.2 | 1,66,82,96,900 | 1,66,82,96,900 | 1,66,82,96,900 |
| (c) | General Reserve | 16.3 | 22,07,29,328 | 22,07,29,328 | 22,07,29,328 |
| (d) | Retained earnings | 16.4 | 2,61,05,71,873 | 2,05,61,12,915 | 1,72,04,74,692 |
| | | | 5,93,75,45,832 | 5,34,13,70,194 | 5,00,57,31,971 |

**Notes:**

Refer Statement of Changes in Equity for movement in balances of Reserves.

16.1 **Capital Reserve**

**Capital Reserve comprises of:**

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|
| Government Grant Received | | 15,00,000 | 15,00,000 | 15,00,000 |
| Forfeiture of Warrants convertible to Equity Shares | 16.1.1 | 4,17,16,680 | - | - |
| Capital Reserve on Consolidation | | 1,39,47,31,051 | 1,39,47,31,051 | 1,39,47,31,051 |
| | | 1,43,79,47,731 | 1,39,62,31,051 | 1,39,62,31,051 |

16.1.1 In earlier year, the Holding Company has issued 4540625 warrants at a price of Rs. 40/- each, entitling the holder to 1 equity share. As per terms and conditions of the issue, the warrant holders have an option to convert warrant to Equity at any time on or before 18 months from the date of allotment (i.e. 30.05.2013) at exercise price of Rs.160/-per share. Proceeds of Rs. 4,17,16,680 against 1042917 Warrants against which no such options was exercised and being non adjustable or non refundable has been forfeited and credited to Capital Reserve and included under Other Equity.

16.2 **Securities Premium Reserve**

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

16.3 **General Reserve**

The general reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

16.4 **Retained Earnings**

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the Group and includes remeasurement gain/losses on defined benefit obligations. This includes Rs. 1,02,78,714 ( March 31, 2017: Rs. 2,05,57,428 and April 1, 2016 : Rs. 3,08,36,142) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment being measured at fair value in earlier years.

16.5 **Declaration of Dividend**

(a) The amount that can be distributed by the Holding Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Holding Company. The Board of Directors of the Holding Company in its meeting held on 07th December, 2017 has declared an Interim Dividend of Re. 0.01 per equity shares (1%).

(b) Subsequent to Balance Sheet date the Board of Directors of Holding Company has declared on 10th April, 2018 an Interim Dividend of Rs. 0.01 per equity shares for the Financial Year 2018-19.

## 17 Borrowings

| | Particulars | Note No. | As at 31.03.2018 | | As at 31.03.2017 | | As at 01.04.2016 | |
|---|---|---|---|---|---|---|---|---|
| | | | Non current | Current | Non current | Current | Non current | Current |
| A | Secured- at amortised cost | | | | | | | |
| (a) | Term loan | | | | | | | |
| | From banks | | | | | | | |
| | -Rupee Loan | 17.1 & 17.7 | 66,48,02,226 | 28,23,23,870 | 96,49,32,957 | 24,05,89,537 | 1,21,98,34,380 | 26,21,45,891 |
| | - Foreign Currency Loan | 17.2 | 43,65,74,375 | 17,81,75,303 | 61,28,07,439 | 16,86,64,650 | 79,18,48,705 | 14,65,00,000 |
| | From Others | 17.3 | - | 3,75,00,000 | 3,75,02,010 | 5,00,00,000 | 8,99,19,672 | 5,00,00,000 |
| (b) | Vehicle Loan | | | | | | | |
| | From banks | 17.4 | 5,38,62,563 | 3,66,17,656 | 8,56,71,241 | 3,20,49,918 | 11,54,01,588 | 2,60,83,711 |
| | From Others | 17.5 | 64,53,504 | 30,96,423 | 33,47,941 | 16,80,377 | 25,04,971 | 7,29,775 |
| | | | 1,16,16,92,666 | 53,77,13,253 | 1,70,42,61,588 | 49,29,84,482 | 2,21,95,09,316 | 48,54,59,377 |
| B | Unsecured- at amortised cost | | | | | | | |
| | From Bodies Corporate | 17.6 | 35,88,38,628 | | 26,12,98,558 | | 20,79,56,732 | |
| | | | 35,88,38,628 | - | 26,12,98,558 | - | 20,79,56,732 | - |
| | Total | | 1,52,05,31,294 | 53,77,13,253 | 1,96,55,60,146 | 49,29,84,482 | 2,42,74,66,048 | 48,54,59,377 |

**17.1 Nature of Security of Rupee Term Loan from Banks**

**17.1.A** Rupee Term Loan of Rs. 943 658226 taken by the Holding Company is secured primarily by 1st charge on the fixed assets of the company's Unit at Gamharia situated in Jharkhand (existing as well as that of the Proposed Project) for both present and future and secured by First charge on all fixed assets located at GT Road both present and future , by way of equitable mortgage of the immovable assets and hypothecation of plant and machineries and other movable fixed assets. Further secured by personal guarantee of the directors of the Company. Rate of interest being 0.35% to 2.25% above Base Rate.

**17.1.B** Rupee Term Loan of Rs. 3467870 taken by Subsidiary Company is secured by 1st hypothecation charge of all the current assets (including raw materials, work in progress, finished goods and sundry debtors) of the steel service centre. Collaterally secured by second mortgage charge on all fixed assets of the Subsidiary (including land and building, plant and machinery, both present and future) of the Steel service cnetre of the subsidiary situated at Bokaro, Jharkhand both present and future. This is further secured by personal guarantee of one of the directors of the Subsidiary and Corporate guarantee of the Holding Company. Rate of interest being 3.5% above Base Rate.

**17.1.C** Rupee Term Loan is repayable as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 27,95,62,756 |
| 2019-2020 | 29,14,25,000 |
| 2020-2021 | 30,54,18,000 |
| 2021-2022 | 7,52,70,000 |
| Total | 95,16,75,756 |

**17.2** Secured primarily by 1st charge on the fixed assets of the Holding Company's Unit Gamharia situated in Jharkhand (existing as well as that of the Proposed Project) for both present and future by way of equitable mortgage of the immovable assets and hypothecation of Current Assets. Further secured by personal guarantee of the directors of the Company Rate of interest being 300 basis point above 6 month LIBOR and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 17,81,75,303 |
| 2019-2020 | 24,06,71,300 |
| 2020-2021 | 19,59,03,073 |
| Total | 61,47,49,676 |

**17.3** Secured primarily by first charge over all fixed assets located at Adityapur both present and future, by way of equitable mortgage of the immovable assets and hypothecation of plant and machinery located at Manifit. Further secured by personal gurantee of directors of the Holding Company .Rate of interest being 6.45% below long term lending rate and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 3,75,00,000 |

**17.4** Secured by hypothecation of vehicles and other machinery acquired .Rate of interest being ranges from 9.25% to 10.25% and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 3,63,57,049 |
| 2019-2020 | 3,89,70,559 |
| 2020-2021 | 1,51,52,611 |
| Total | 9,04,80,219 |

**17.5** Secured by hypothecation of vehicles and other machinery acquired .Rate of interest being ranges from 7.65% to 9.15% and is repayable at unamortised cost as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2018-2019 | 30,90,206 |
| 2019-2020 | 28,59,731 |
| 2020-2021 | 35,99,990 |
| **Total** | **95,49,927** |

**17.6** Unsecured Loan taken by Holding Company outstanding as on March 31, 2018 carries interest @10% and is payable at unamortised cost as per the repayment schedule as follows:

| Financial Year | Amount in Rs. |
|---|---|
| 2023-2024 | 5,17,03,180 |
| 2024-2025 | 26,19,24,000 |
| 2025-2026 | 35,86,33,557 |
| **Total** | **67,22,60,737** |

**17.7 Details of Default of Term Loan in respect of one of the subsidiary comapany as on 31st March, 2018**

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 |
|---|---|---|---|
| Principal Overdue | 17.7.1 | 15,97,376 | 16,25,627 |
| Interest Overdue | 17.7.2 | - | 2,44,466 |

**17.7.1** Overdue from 31st March 2018 to 3rd April 2018 (31st March, 2017- Overdue from 31st March 2017 to 3rd April 2017)

**17.7.2** 31st March, 2018- Rs Nil (31st March,2017- Rs. 1,24,672 overdue from 28th February 2017 & Rs. 1,19,794 from 31st March 2017 to 3rd April 2017 respectively)

**18 Non Current Provisions**

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Provision for employee benefits | | | | |
| | Gratuity | 18.1 | 2,44,10,705 | 2,48,76,959 | 1,86,08,339 |
| | | | 2,44,10,705 | 2,48,76,959 | 1,86,08,339 |

**Notes:**

**18.1** For other disclosures, refer Note 39

**20 Other Non Current Liabilities**

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Deferred gain on fair valuation of financial instrument | | 23,11,63,462 | 27,24,70,974 | 31,37,78,486 |
| (b) | Deferred revenue arising from Government Grants | | 3,32,49,843 | 3,66,78,147 | 4,01,06,450 |
| | | | 26,44,13,305 | 30,91,49,121 | 35,38,84,936 |

**19 Deferred Tax Liabilities(Net)**

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below :

Amount in Rs.

| 2017-18 | Opening Balance | Recognised in profit or Loss | Recognised in Other Comprehensive Income | Other Adjustments (Refer Note 19.3) | Closing Balance |
|---|---|---|---|---|---|
| Deferred tax liabilities/(assets) in relation to: | | | | | |
| **Deferred Tax Assets** | | | | | |
| Defined benefit obligation | 34,26,398 | (17,637.00) | 17,27,387 | | 17,16,649 |
| Brought Forward Unabsorbed Depreciation | 99,19,282 | 20,80,468 | | | 78,38,814 |
| Mat Credit entitlement | 27,87,86,551 | - | - | | 27,87,86,551 |
| **Total Deferred Tax Assets** | 29,21,32,231 | 20,62,831 | 17,27,387 | | 28,83,42,014 |
| | | | | | |
| **Deferred Tax Liabilities** | | | | | |
| Property, plant and equipment | 71,38,58,996 | (40,94,190) | - | | 70,97,64,806 |
| Lease Rentals | 71,85,911 | 5,20,358 | | | 77,06,269 |
| Others | 16,87,851 | (8,169) | | (16,78,440) | 1,242 |
| **Total Deferred Tax Liabilities** | 72,27,32,758 | (35,82,001) | - | (16,78,440) | 71,74,72,318 |
| | | | | | |
| **NET DEFERRED TAX (ASSETS)/ LIABILITIES** | 43,06,00,527 | (15,19,170) | 17,27,387 | (16,78,440) | 42,91,30,304 |

Disclosed as:

| | Opening Balance | Closing Balance |
|---|---|---|
| Deferred Tax Assets | 45,88,355 | 41,43,643 |
| Deferred Tax Liabilities | 43,51,88,882 | 43,32,73,947 |
| NET DEFERRED TAX (ASSETS)/ LIABILITIES | 43,06,00,527 | 42,91,30,304 |

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2017 are given below :

Amount in Rs.

| 2016-17 | Opening Balance | Recognised in profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Deferred tax liabilities/(assets) in relation to: | | | | |
| **Deferred Tax Assets** | | | | |
| Defined benefit obligation | 26,57,162 | (38,348) | (7,30,888) | 34,26,398 |
| Brought Forward Unabsorbed Depreciation* | 93,77,335 | (5,41,947) | | 99,19,282 |
| Impairment Allowances of Trade Receivables | 11,11,719 | 11,11,719 | | - |
| Mat Credit entitlement | 21,82,90,019 | (6,04,96,532) | | 27,87,86,551 |
| **Total Deferred Tax Assets** | 23,14,36,235 | (5,99,65,108) | (7,30,888) | 29,21,32,231 |
| | | | | |
| **Deferred Tax Liabilities** | | | | |
| Property, plant and equipment | 65,15,76,740 | 6,22,82,256 | | 71,38,58,996 |
| Lease Rentals | 65,69,686 | 6,16,225 | | 71,85,911 |
| Others | 16,05,445 | 82,406 | | 16,87,851 |
| **Total Deferred Tax Liabilities** | 65,97,51,871 | 6,29,80,887 | - | 72,27,32,758 |
| | | | | |
| **NET DEFERRED TAX (ASSETS)/ LIABILITIES** | 42,83,15,636 | 30,15,779 | (7,30,888) | 43,06,00,527 |

Disclosed as:

| | Opening Balance | Closing Balance |
|---|---|---|
| Deferred Tax Assets | 26,03,896 | 45,88,355 |
| Deferred Tax Liabilities | 43,09,19,532 | 43,51,88,882 |
| NET DEFERRED TAX (ASSETS)/ LIABILITIES | 42,83,15,636 | 43,06,00,527 |

*Based on receipt of assessment order during the year

19.1 Deferred tax Asset on acount of timing differences with respect to depreciation has been considered and recognised in the accounts in respect of one of the Subsidiary Company. As a matter of prudence, the amount of unabsorbed business losses of the subsidiary has been ignored in 2016-17

19.2 In respect of one of the Subsidiary Company

| | |
|---|---|
| Unrecognised unused tax losses of subsidiary- business loss | 62,40,522 |
| Year when the unrecognised unsed tax losses will expire | 2023-24 |

19.3 During the year, investment in subsidiary company, Bansal Nepal Private Limited has been classified as held for sale (Refer Note. No. 14.1). The same has resulted in reversal of deferred tax liability of that company.

19.4 Deferred tax assets and liabilities have been adjusted when these pertain to the same legal entity and thereby net deferred tax assets/liabilities have been disclosed as follows:

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Consolidated Net Deferred Tax Liabilities | 43,32,73,947 | 43,51,88,882 | 43,09,19,532 |
| Consolidated Net Deferred Tax Assets | (41,43,643) | (45,88,355) | (26,03,896) |
| **Consolidated Net Deferred Tax Liabilities/(Assets)** | 42,91,30,304 | 43,06,00,527 | 42,83,15,636 |

**21 Current Liabilities- Borrowings**

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | **Secured** | | | | |
| | **Repayable on Demand** | | | | |
| | Cash credit / Working capital facilities from banks | 21.1 | 2,22,41,66,072 | 2,27,10,83,779 | 2,38,55,22,860 |
| | **Unsecured** | | | | |
| | **Repayable on Demand** | | | | |
| | Loan from Bodies Corporate - Interest Free | | 8,00,000 | 8,00,000 | 8,00,000 |
| | | | 2,22,49,66,072 | 2,27,18,83,779 | 2,38,63,22,860 |

21.1 Cash credits from banks are secured by hypothecation of current assets including inventories and book debts and collateral security of pari pasu charge over fixed assets of the company and guaranteed by directors.

**22 Current Liabilities- Trade payables**

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| | Payables for goods and services | | | | |
| | - Dues to Micro, Small and Medium Enterprise | | - | - | - |
| | - Others | | 64,13,76,723 | 27,00,29,406 | 29,27,94,656 |
| | | | 64,13,76,723 | 27,00,29,406 | 29,27,94,656 |

22.1 There are no dues to Micro and Small enterprises as at 31st march, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

22.2 Trade payables are non-interest bearing and are normally settled on 120 day terms.

**23 Current Liabilities-Other financial liabilities**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Current maturities of long-term debts | | 53,77,13,252 | 49,29,84,482 | 48,54,59,377 |
| (b) | Unpaid dividend | 23.1 | 8,27,540 | - | - |
| (c) | Other Current Liabilities | | 7,47,75,347 | 10,15,64,699 | 7,56,18,106 |
| (d) | Interest Accrued and Due on Long Term Borrowings | | - | 2,44,466 | 1,52,309 |
| | | | 61,33,16,139 | 59,47,93,647 | 56,12,29,792 |

Note

23.1 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**24 Other Current liabilities**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Advances received from customers | | 20,72,165 | 3,75,67,729 | 5,19,26,438 |
| (b) | Statutory Dues (GST,service tax, sales tax, TDS etc.) | | 66,51,916 | 12,23,768 | 6,59,645 |
| (c) | Deferred gain on fair valuation of financial instruments | | 4,13,07,512 | 4,13,07,512 | 4,13,07,512 |
| (d) | Deferred revenue arising from Government Grants | | 34,28,303 | 34,28,303 | 34,28,303 |
| (e) | Application money against share warrants | 16.1.1 | - | 4,17,16,680 | 4,17,16,680 |
| | | | 5,34,59,896 | 12,52,43,992 | 13,90,38,578 |

**25 Current liabilities- Provisions**

Amount in Rs.

| | Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|---|---|
| (a) | Provision for employee benefits | | | | |
| | Gratuity | 25.1 | 20,31,254 | 25,05,346 | 27,33,016 |
| (b) | Provision for income tax (Net of advance tax) | | 4,59,00,806 | - | - |
| | | | 4,79,32,060 | 25,05,346 | 27,33,016 |

25.1 For other disclosures, refer Note 39

**26 Revenue from Operations** — Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | **Sale of Goods** | | | |
| | Sale of Product | | 5,35,28,17,567 | 4,15,22,14,697 |
| | Sale of Traded Goods | | - | 16,35,098 |
| (b) | **Sale of Services** | | | |
| | Conversion income | | 3,84,68,04,388 | 3,28,34,47,238 |
| (c) | **Other Operating Revenue** | | | |
| | Transportation Charges Recovered | | 28,33,09,529 | 35,69,95,142 |
| | | | 9,48,29,31,484 | 7,79,42,92,175 |

**Notes**

26.1 Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 and therefore, Revenue from operations for the period July 1, 2017 to 31st March 2018 are net of GST. Revenue from Operations and expenses for the year ended 31st March 2017 being inclusive of Excise Duty are not comparable with corresponding figures of year ended 31st March 2018.

**27 Other Income** — Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Interest on deposits | | 86,60,975 | 61,14,616 |
| (b) | Amortisation of Financial Instrument | | 4,13,82,682 | 4,13,75,848 |
| (c) | Government Grant | | 34,28,303 | 34,28,303 |
| (d) | Profit on sale of Property, Plant and Equipment | | 5,52,04,411 | - |
| (e) | Liabilities no longer required written back | | 3,01,40,189 | - |
| (f) | Impairment Allowances for Doubtful Debts written back | | - | 35,97,794 |
| (g) | Insurance Claim Received | | - | 4,04,164 |
| (h) | Miscellaneous Income | | 1,81,76,706 | 1,15,89,273 |
| | | | 15,69,93,266 | 6,65,09,998 |

**28 Cost of Materials Consumed** — Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| | Raw Materials Consumed | | 5,50,00,89,394 | 4,64,62,15,119 |
| | | | 5,50,00,89,394 | 4,64,62,15,119 |

**29 (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress** — Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| | **Stock at the end of the year** | | | |
| | Finished Goods | | 67,26,18,467 | 49,16,29,685 |
| | Work in Progress | | 8,27,290 | 5,26,798 |
| | Stock in Trade | | - | - |
| | Scrap | | - | 1,34,616 |
| | | | 67,34,45,757 | 49,22,91,099 |
| | **Stock at the beginning of the year** | | | |
| | Finished Goods | | 49,16,29,685 | 47,15,73,580 |
| | Work in Progress | | 5,26,798 | 4,04,041 |
| | Stock in Trade | | - | 18,84,562 |
| | Scrap | | 1,34,616 | 34,84,545 |
| | | | 49,22,91,099 | 47,73,46,728 |
| | **(Increase)/ Decrease in Inventories of Finished goods, Stock-in - Trade and Work-in-Progress** | | (18,11,54,658) | (1,49,44,371) |

Notes to the Consolidated Financial Statements

**30 Employee benefits expense**

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Salaries and wages | | 17,83,30,197 | 14,27,76,951 |
| (b) | Contribution to provident fund | 39 | 1,60,63,227 | 1,31,65,299 |
| (c) | Staff welfare expenses | | 4,90,76,717 | 3,54,34,427 |
| | | | 24,34,70,141 | 19,13,76,677 |

**31 Finance Costs**

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Interest Expense | | 43,39,90,685 | 38,97,14,205 |
| (b) | Other Borrowing Costs | | 3,33,82,287 | 3,16,47,951 |
| | | | 46,73,72,972 | 42,13,62,156 |

**32 Other Expenses**

Amount in Rs.

| | Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|---|
| (a) | Consumption of stores and spares | | 30,74,03,346 | 37,65,56,716 |
| (b) | Power and Fuel | | 53,44,97,983 | 31,31,57,263 |
| (c) | Rent | 36 | 2,52,19,425 | 2,28,74,464 |
| (d) | Repairs to | | | |
| | Plant and machinery | | 1,68,56,146 | 25,63,427 |
| | Buildings | | 15,54,631 | 46,126 |
| | Others | | 3,15,74,050 | 70,28,634 |
| (e) | Insurance | | 56,70,750 | 54,91,577 |
| (f) | Amortization of Leasehold Prepayment | | 5,41,309 | 5,41,309 |
| (g) | Rates and Taxes | 32.2 | 15,94,55,231 | 1,28,20,452 |
| (h) | Transportation Charges Paid | | 21,64,31,268 | 20,83,63,523 |
| (i) | Directors' Remuneration | | 3,64,46,000 | 3,24,39,000 |
| (j) | Carriage inward | | 5,09,62,877 | 5,30,75,980 |
| (k) | Excise duty paid and on stock | | 3,14,49,823 | 26,76,67,453 |
| (l) | Bank Charge | | 2,77,01,267 | 1,84,42,276 |
| (m) | Travelling and conveyance | | 2,06,94,690 | 1,62,45,929 |
| (n) | Legal and professional fees | | 1,21,06,032 | 2,60,68,111 |
| (o) | Security Charges | | 56,39,046 | 64,02,294 |
| (p) | Exchange Gain/Loss | | 33,77,744 | (91,696) |
| (q) | Telephone and communication | | 20,25,892 | 24,12,628 |
| (r) | Hire Charges | | 42,50,330 | 59,31,758 |
| (s) | Advertising and sales promotion | | 48,90,830 | 39,93,695 |
| (t) | Payment to Auditor | 32.1 | 18,50,000 | 13,04,825 |
| (u) | Loss on Investments in Subsidiary - Held for sale | 14.1 | 12,71,730 | - |
| (v) | Interest and Penalty | | 59,863 | 4,04,054 |
| (w) | Miscellaneous expenses | 32.3 | 18,82,40,534 | 10,97,31,066 |
| | | | 1,69,01,70,797 | 1,49,34,70,864 |

32.1 **Payment to Auditor includes:**

Amount in Rs.

| | Particulars | Note No. | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|---|---|
| (a) | Audit Fees | | 11,40,000 | 10,64,625 |
| (b) | Tax Audit Fees | | 20,000 | 95,000 |
| (c) | Certification and other reports | | 6,90,000 | 70,000 |
| (d) | Reimbursement of expenses | | - | 75,200 |
| | | 32.1.1 | 18,50,000 | 13,04,825 |

32.1.1 **Includes Payment to Previous Auditor :**

Amount in Rs.

| | Particulars | Note No. | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|---|---|
| (a) | Audit Fees | | - | 9,25,000 |
| (b) | Tax Audit Fees | | - | 75,000 |
| (c) | Certification and other reports | | - | 70,000 |
| (d) | Reimbursement of expenses | | - | 75,200 |
| | | | - | 11,45,200 |

**32.2** Includes Rs. 14,36,89,162 (Previous year Rs. Nil) being payment made to Sales Tax authorities under Settlement of Dispute scheme.

**32.3** Miscellaneous expenses include Rs. 7,65,387 (Previous Year Rs. 12,40,994) being Sundry Balances not recoverable and written off .

**32.4** **Disclosures as required in terms of Indian Accounting Standard 11 on "Construction Contracts" as follows:**

| | Particulars | Note No. | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|---|---|
| | Contract Revenue Recognition for the year | | 22,83,165 | 58,19,537 |
| | Total costs incurred and recognised profits for contracts in progress at the reporting date | | 14,44,867 | 51,53,070 |
| | Advance Received | | - | - |
| | Amount of Retention for contracts in progress at reporting date | | - | - |
| | Gross Amount due from customers for contract work | | - | - |

**33 Tax Expense**

Amount in Rs.

| | Particulars | Note No. | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|---|---|
| | Tax Expense | 33.1 | 20,57,62,718 | 9,32,94,281 |
| | | | 20,57,62,718 | 9,32,94,281 |

**33.1 Components of Tax Expense**

| | Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|---|
| | Current tax | 20,72,81,888 | 9,02,78,502 |
| | Deferred tax - Charge/(Credit) | (15,19,170) | 30,15,779 |
| | **Total tax expense recognised in the current year** | 20,57,62,718 | 9,32,94,281 |

**33.2 Reconciliation of Income Tax Expenses for the year with accounting profit as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows :

Amount in Rs.

| Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|
| **Profit before tax** | 72,00,49,022 | 42,91,89,045 |
| Income tax expense calculated at applicable corporate rates at 34.608% | 24,91,94,565 | 14,85,33,745 |
| **Add: Effect of Expenses that are not deductible in determining taxable profit** | | |
| Expenses not allowed for tax purpose | 1,80,086 | 2,26,18,836 |
| Depreciation provided in the books of Account | 18,64,299 | |
| Certain expenses to be allowed on payment basis | 28,84,665 | 19,11,715 |
| Effect of tax expenses in subsidiary companies in the absence of taxable profits | - | 17,52,094 |
| **Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit** | | |
| Depreciation as per Income tax Act, 1961 | 2,27,40,829 | 3,47,00,816 |
| Effect of other adjustments | 2,33,21,010 | 4,68,21,293 |
| Set off of profit from brought forward unabsorbed business losses | 20,61,284 | - |
| Set off of profit from brought forward unabsorbed depreciation | 1,60,054 | - |
| Effect of lower tax rate in Subsidiary | 77,720 | - |
| **Income Tax recognised in profit and loss** | 20,57,62,718 | 9,32,94,281 |

The tax rate used for reconciliations above is 30%/25% as applicable for corporate entities on taxable profits under the Indian tax laws.

**33.3 Income Tax recognised in Other Comprehensive Income**

Amount in Rs.

| Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|
| **Deferred tax (charge)/ Credit on** | | |
| Remeasurement of defined benefit obligation | (17,27,387) | 7,30,888 |
| **Total income tax recognised other comprehensive income** | (17,27,387) | 7,30,888 |
| **Bifurcation of the income tax recognized in Other comprehensive income into :** | | |
| Items that will be reclassified to profit or loss | - | - |
| Items that will not be reclassified to profit or loss | (17,27,387) | 7,30,888 |

**33.4 Components of Other Comprehensive Income**

Amount in Rs.

| Particulars | For the year ended March 31,2018 | For the year ended March 31,2017 |
|---|---|---|
| **Items that will not be reclassified to profit or (loss)** | | |
| Remeasurement of defined benefit obligation(Net of Tax) | 32,34,386 | (13,99,835) |
| | 32,34,386 | (13,99,835) |

34 Contingent Liabilities, Contingent Assets and Commitments (to the extent not provided for)

Amount in Rs.

| A. Contingent Liabilities | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Claims against the Company not acknowledged as Debt | | | |
| i. Counter guarantee issued by Holding Company to bank,in respect of bank guarantee issued | 54,19,06,897 | 57,14,63,632 | 43,54,16,200 |
| ii. Income tax demands under appeal | 2,18,22,190 | 1,83,54,500 | 2,11,93,530 |

34.A.1 The Group's pending litigation comprises of claim against the Group and proceeding pending tax/statutory/Government authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Consolidated Financial Statements. The Group does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgments / decisions.

34.A.2 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

| B. Capital Commitment | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---|---|---|
| Capital commitments (net of advances) | 1,38,48,090 | 1,61,84,297 | 1,13,20,599 |

35 Trade Receivables,Trade payables and advances recoverable are subject to confirmation/reconciliation and consequential adjustments,if any arising thereof.In the opinion of the management,current assets,loans and advances will have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.

36 Operating lease disclosures

The Group has certain operating lease arrangements for factory land with tenure extending upto 30 years. Terms of such lease arrangement include escalation clause for rent whereby the rent for the aforementioned lease is liable to be doubled after 4 years and thereafter may be revised after every ten/twenty years in accordance with the rules framed by the Government of Jharkhand or the lessor. Expenditure incurred on account of rent during the year and recognized in the Statement of Profit and Loss amounts to Rs.21,24,094 (P.Y. -Rs.21,24,094)

37 Earnings Per Share

| | Particulars | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---|---|---|
| a) | Profit /(Loss) after Tax for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss(Rs.) | 51,30,59,395 | 33,69,99,499 |
| b) | Number of Equity Shares (Nos): | | |
| | (i) Weighted average number of equity shares outstanding during the period | 22,50,86,460 | 22,50,86,460 |
| | (ii) Dilutive Potential Equity shares | Nil | Nil |
| | Nominal value per equity share (Re.) | 1 | 1 |
| c) | Earnings per share of Equity share of Re.1 each (in Rs.) - Basic (a/b(i)) | 2.28 | 1.50 |
| d) | Earnings per share of Equity share of Re.1 each (in Rs.) - Diluted (a/b(i)) | 2.28 | 1.50 |

38 Segment Reporting

(i) The Group has one operating business segment viz; manufacturing ,processing and selling of steel and steel products comprising of engineering and other products and services and all other activities are incidental to the same.

(ii) Geographical Segment

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Revenue by Geographical market | | |
| Sale of Products and Services | | |
| - Domestic | 9,38,97,59,663 | 7,72,66,25,667 |
| - Export | 9,31,71,821 | 6,76,66,508 |
| Total | 9,48,29,31,484 | 7,79,42,92,175 |
| Assets | | |
| Trade Receivable | | |
| - Within India | 2,15,41,76,321 | 1,83,05,77,682 |
| - Outside India | - | - |
| Total | 2,15,41,76,321 | 1,83,05,77,682 |

(iii) Information about Major Customer

Revenue from operation include revenue from a public company which account for more than 10% and amounting to Rs.3,43,89,07,920 (March 31,2017- Rs. 2,86,81,01,719 )

## 30 Employee Benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. This is an unfunded plan.

The Group also has certain Defined Contribution plans. Contributions are made to provident fund in India at the rate of 12% of salary of the employees covered as per the regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

As per Indian Accounting Standard 19 "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits are given below:

### i) Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognized for the year are as under :

(Amount in Rs.)

| Particulars | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---|---|
| Employer's Contribution to Provident Fund | 76,78,509 | 65,45,517 |
| Employer's Contribution to Employee State Insurance | 29,49,769 | 13,80,008 |

### ii) Defined Benefit Scheme

The Group has defined benefit plan comprising of gratuity. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) actuarial Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount in Rs.)

| | For Gratuity (Unfunded) | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|
| A. | **Change in fair value of Defined Benefit Obligation :** | | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 2,73,82,305 | 2,09,24,515 | 1,49,74,200 |
| | Current Service Cost | 32,91,033 | 33,87,965 | 28,22,469 |
| | Past Service Cost | 1,03,234 | | |
| | Interest Cost | 20,53,522 | 15,46,559 | 11,84,639 |
| | Benefit Paid | 14,26,362 | 6,07,457 | 3,32,434 |
| | Actuarial (Gain) / Losses | (49,61,773) | 21,30,723 | 22,75,641 |
| | **Present Value of Defined Benefit Obligations as at the end of the year** | 2,64,41,959 | 2,73,82,305 | 2,09,24,515 |
| B. | **Change in Fair Value of plan Assets :** | | | |
| | Fair value of Plan Assets at the beginning of the year | - | - | - |
| | Expected Return on Plan assets | - | - | - |
| | Contributions by the Employers | - | - | - |
| | Benefit paid | - | - | - |
| | Actuarial Gains/(Losses) | - | - | - |
| | **Fair value of plan Assets at the end of the year** | - | - | - |

| | | | | |
|---|---|---|---|---|
| **C.** | **Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:** | | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | **2,64,41,959** | 2,73,82,305 | 2,09,24,515 |
| | Fair value of Plan Assets at the end of the year | - | - | - |
| | **Liability /(Assets) recognized in the Balance Sheet** | **2,64,41,959** | 2,73,82,305 | 2,09,24,515 |
| **D.** | **Components of Defined Benefit Cost** | | | |
| | Current Service Cost | **32,91,033** | 33,87,965 | 28,22,469 |
| | Past Service Cost | **1,03,234** | - | - |
| | Interest Cost | **20,53,522** | 15,46,559 | 11,84,639 |
| | Expected Return on Plan Assets | - | - | - |
| | Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI | **(49,61,773)** | 21,30,723 | 22,75,641 |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss and OCI** | **4,86,016** | 70,65,247 | 62,82,749 |
| **E.** | **Principal Actuarial Assumptions used** | | | |
| | Discounted Rate (per annum) Compound | **7.70%** | 7.50% | 8.00% |
| | Salary Inflation Rate | **6.00%** | 6.00% | 6.00% |
| | Mortality Rate | | IALM2006-2008 ULTIMATE | |
| | Attrition Rate | **1.00%** | 1.00% | 1.00% |
| | Retirement age | | 60 years | |
| | Expected Rate of return on Plan Assets | **NA** | NA | NA |

(Amount in Rs.)

| | Experience History | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|---|---|---|---|---|---|
| **F.** | **Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)** | | | | | |
| | Present Value of Defined Benefit Obligations | **2,64,41,959** | 2,73,82,305 | 2,09,24,515 | 1,49,74,200 | - |
| | Fair value of Plan Assets | - | - | - | - | - |
| | Status [Surplus/(Deficit)] | **2,64,41,959** | 2,73,82,305 | 2,09,24,515 | 1,49,74,200 | - |
| | Experience Adjustment on Plan Assets [Gain/(Loss)] | | | | | |
| | Experience Adjustment on Obligation [Gain/(Loss)] | | | | | |

Note: Liability for defined benefit obligation has been recognised based on actuarial valuation from the year 2014-15 onwards and as such figures for the year 2013-14 could not be furnished.

G. **Sensitivity analysis**

| Particulars | 31.03.2018 | | 31.03.2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%) | 2,47,25,776 | 2,83,35,820 | 2,55,87,094 | 2,93,67,888 |
| %Change Compared to base due to sensitivity | -6.490% | 7.162% | -6.556% | 7.251% |
| Salary Growth (-/+ 0.5%) | 2,83,47,279 | 2,47,01,692 | 2,93,43,234 | 2,55,77,287 |
| %Change Compared to base due to sensitivity | 7.206% | -6.581% | 7.161% | -6.592% |
| Attrition Rate (-/+ 0.5%) | 2,64,41,347 | 2,64,42,571 | 2,73,75,206 | 2,73,89,404 |
| %Change Compared to base due to sensitivity | -0.002% | 0.002% | -0.026% | 0.026% |
| Mortality Rate (-/+ 10%) | 2,64,58,465 | 2,64,25,453 | 2,73,97,202 | 2,73,67,408 |
| %Change Compared to base due to sensitivity | 0.062% | -0.062% | 0.054% | -0.054% |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

H. **Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

| Particulars | Gratuity (Rs.) |
|---|---|
| 01 Apr 2017 to 31 Mar 2018 | 21,08,007 |
| 01 Apr 2018 to 31 Mar 2019 | 7,82,165 |
| 01 Apr 2019 to 31 Mar 2020 | 5,43,028 |
| 01 Apr 2020 to 31 Mar 2021 | 8,77,976 |
| 01 Apr 2021 to 31 Mar 2022 | 7,64,181 |
| 01 Apr 2022 Onwards | 9,40,61,455 |

I.

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Average no of people employed | 660 | 742 |

G. **Sensitivity analysis**

| Particulars | 31.03.2018 | | 31.03.2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%) | 2,47,25,776 | 2,83,35,820 | 2,55,87,094 | 2,93,67,888 |
| %Change Compared to base due to sensitivity | -6.490% | 7.162% | -6.556% | 7.251% |
| Salary Growth (-/+ 0.5%) | 2,83,47,279 | 2,47,01,692 | 2,93,43,234 | 2,55,77,287 |
| %Change Compared to base due to sensitivity | 7.206% | -6.581% | 7.161% | -6.592% |
| Attrition Rate (-/+ 0.5%) | 2,64,41,347 | 2,64,42,571 | 2,73,75,206 | 2,73,89,404 |
| %Change Compared to base due to sensitivity | -0.002% | 0.002% | -0.026% | 0.026% |
| Mortality Rate (-/+ 10%) | 2,64,58,465 | 2,64,25,453 | 2,73,97,202 | 2,73,67,408 |
| %Change Compared to base due to sensitivity | 0.062% | -0.062% | 0.054% | -0.054% |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

H. **Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

| Particulars | Gratuity (Rs.) |
|---|---|
| 01 Apr 2017 to 31 Mar 2018 | 21,08,007 |
| 01 Apr 2018 to 31 Mar 2019 | 7,82,165 |
| 01 Apr 2019 to 31 Mar 2020 | 5,43,028 |
| 01 Apr 2020 to 31 Mar 2021 | 8,77,976 |
| 01 Apr 2021 to 31 Mar 2022 | 7,64,181 |
| 01 Apr 2022 Onwards | 9,40,61,455 |

I.

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Average no of people employed | 660 | 742 |

40 **Related Party Transactions**

Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Name of related parties and related party relationship:

| | |
|---|---|
| **Subsidiary Companies** | SAIL Bansal Service Centre Limited |
| | Confident Financial Consultancy Private Limited |
| | Perfect Investment Consultancy Private Limited |
| | Sidhant Investment Advisory Private Limited |
| | Siddhi Vinayak Commosales Private Limited |
| | Shri Hari Vincom Private Limited |
| | Narayan Dealcom Private Limited |
| | Fairplan Vintrade Private Limited |
| | Nageshwar Tradelink Private Limited |
| | Bansal Nepal Private Limited (Refer Note No. 14.1) (upto 4th April, 2017) |
| **Key Managerial Personnel** | Ram Gopal Bansal |
| | Harsh Kumar Bansal |
| | Vivek Kumar Bansal |
| **Enterprises over which Key Managerial Personnel has significant influence** | JIT Transport Organisation |
| | Ensaan Commercial Private Limited |
| | Bansal Nepal Private Limited (Refer Note No. 14.1) (w.e.f. 5th April, 2017) |
| | Pioneer Goods Private Limited |
| | Jayamala Commercial Private Limited |
| **Joint venture of SAIL Bansal Service Centre Limited** | Steel Authority of India Limited |

B) **Details of Related party transaction after elimination**

B.1) **Transaction with subsidiaries**

Intergroup related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statements of the Group. Hence the same has not been disclosed in the group related party transactions.

B.2) Nature of Transaction with the related parties referred to in serial no. ( A ) above

Amount in Rs.

| Nature Of Transactions | Note No. | For The Year Ended 31.03.2018 | For The Year Ended 31.03.2017 |
|---|---|---|---|
| **(i) Services** | | | |
| Steel Authority of India Limited | | **2,12,89,069** | 1,57,23,185.00 |
| **(ii) Rent Paid** | | | |
| Ramgopal Bansal | | **15,00,000** | 15,00,000 |
| **(iii) Remuneration** | | | |
| Ramgopal Bansal | | **1,56,00,000** | 1,56,00,000 |
| Harsh Bansal | | **1,02,00,000** | 84,00,000 |
| Vivek Bansal | | **1,02,00,000** | 84,00,000 |
| **(v) Rent Received** | | | |
| JIT Transport Organisation | | **35,20,000** | - |

Amount in Rs.

B.3) **Balances of Related parties is as follows:**

| Particulars | Note No. | As At 31st Mar 2018 | As At 31st Mar 2017 | As At 1st Apr 2016 |
|---|---|---|---|---|
| **(i) Outstanding Balances (Receivables)** | | | | |
| Bansal Nepal Private Limited - Interest Free | 40.B.3.1 | **2,23,10,731** | 21,85,871 | 1,82,51,409 |
| Steel Authority of India Limited | | **85,74,328** | - | - |
| JIT Transport Organisation | | **35,15,400** | | |
| **(ii) Outstanding Balances (Payable)** | | | | |
| Ensaan Commercial Private Limited | | - | 20,00,000 | 20,00,000 |
| Pioneer Goods Private Limited | | - | 50,00,000 | 50,00,000 |
| Jayamala Commercial Private Limited | | - | 1,50,000 | 1,50,000 |

Amount in Rs.

B.4) **The remuneration of directors and other members of key management personnel during the year as follows:**

| Particulars | As At 31st Mar 2018 | As At 31st Mar 2017 |
|---|---|---|
| Short-term employee benefits | **3,60,00,000** | 3,24,00,000 |
| Post-employment benefits* | - | - |
| *Excluding contribution to gratuity fund | | |

40.B.3.1 In respect of above parties there is a provision of Rs. Nil (March 31, 2017 Nil , April 1 2016 - 35,07,794) as on 31st March, 2018 and no amount has been written off or written back during the year in respect of debts due from/to them.

C) The above related party information is as identified by the Management and relied upon by the auditors.

## 42 FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows :-

(Amount in Rs.)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets (Current and Non-Current)** | | | | | | |
| **Financial Assets measured at Amortised Cost** | | | | | | |
| Trade Receivables | 2,15,41,76,321 | 2,15,41,76,321 | 1,79,98,12,343 | 1,79,98,12,343 | 1,79,76,94,425 | 1,79,76,94,425 |
| Cash and cash equivalents | 85,43,310 | 85,43,310 | 1,91,49,466 | 1,91,49,466 | 1,38,26,826 | 1,38,26,826 |
| Other Bank Balances | 9,61,41,076 | 9,61,41,076 | 6,74,32,361 | 6,74,32,361 | 5,89,92,336 | 5,89,92,336 |
| Loans | 58,87,01,549 | 58,87,01,549 | 59,20,17,271 | 59,20,17,271 | 57,61,84,136 | 57,61,84,136 |
| Other Financial Assets | 4,17,32,966 | 4,17,32,966 | 5,40,09,145 | 5,40,09,145 | 6,63,02,022 | 6,63,02,022 |
| **Financial Liabilities (Current and Non-Current)** | | | | | | |
| **Financial Liabilities measured at Amortised Cost** | | | | | | |
| Borrowings | 4,28,32,10,618 | 4,28,32,10,618 | 4,73,04,28,407 | 4,73,04,28,407 | 5,29,92,48,285 | 5,29,92,48,285 |
| Trade Payables | 64,13,76,723 | 64,13,76,723 | 27,00,29,406 | 27,00,29,406 | 29,27,94,656 | 29,27,94,656 |
| Other Financial Liabilities | 7,56,02,887 | 7,56,02,887 | 10,18,09,165 | 10,18,09,165 | 7,57,70,415 | 7,57,70,415 |

**Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values :

The fair value of cash and cash equivalents,trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short–term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the Consolidated Financial Statements approximate their fair values.

Fair Value of Long term debt approximates their carrying value subject to adjustments made for transaction cost.

The non current Financial assets represent security deposits given to government authorities and for the purpose of day-to-day utilities of the Group and therefore the need of fair valuation does not arise in such a case.

A substantial portion of the group's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Fair value of Security deposits and Unsecured Loans from Bodies Corporate have been determined on Effective Interest Rate method(EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument.

**FINANCIAL RISK FACTORS**

The Group's financial liabilities comprise mainly of borrowings, trade and other payables. The Group's financial assets comprise mainly of cash and cash equivalents, other balances with Banks including Fixed Deposits with Banks, trade receivables and other receivables, Deposits and Investments.

The Group's is exposed to Market risk, Credit risk and Liquidity risk. The Group's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised below:

**MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and trade receivables.

**Interest Rate Risk**

The Group's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and others. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. There are certain borrowings at fixed interest rate which exposes the Group's to the fair value interest rate risk, however exposure in such borrowings is not significant.

Further there are deposits with banks which are for short term period and are exposed to interest rate risk, falling due for renewal.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on the Profit or Loss with respect to floating rate portion of loans and borrowings:

Amount in Rs.

| Nature of Borrowing | Increase in basis points | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|---|
| Rupee Loan | +0.50 | 1,80,83,150 | 1,53,50,154 |
| Foreign Currency Loan | +0.50 | 20,79,369 | 22,96,779 |

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's Consolidated Financial Statements.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's trade receivables and trade payables.

The Group evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows :

Amount in Rs.

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| | Borrowings | Borrowings | Borrowings |
| USD | 61,47,49,676 | 78,14,72,089 | 93,83,48,705 |

| Particulars | For The Year Ended 31st March, 2018 | For The Year Ended 31st March, 2017 |
|---|---|---|
| Payables (Weaking of INR by 5%) | | |
| USD | (3,07,37,484) | (3,90,73,604) |

Figures in bracket represent Loss.

A 5% stregthening of INR would have an equal and opposite effect on the Company's Consolidated Financial Statements.

**CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis.The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Group's exposure of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the Consolidated Financial Statements,represents the Group's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being well established, large and unrelated.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents and deposits are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise.

**LIQUIDITY RISK**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital loans from banks.The Group relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

**Liquidity and interest risk tables**

The following tables detail the Group's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on whichthe Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date.

**Interest rate and currency of borrowings**

**As at March 31,2018**

Amount in Rs.

| Particulars | Total Borrowings | Fixed Rate Borrowings | Floating Rate Borrowings | Interest free borrowings | Weighted average interest rate (%) |
|---|---|---|---|---|---|
| Borrowings in INR | 3,98,64,32,711 | 10,00,30,146 | 3,21,33,41,828 | 67,30,60,737 | 9.74% |
| Borrowings in Foreign Currency (USD) | 61,47,49,676 | - | 61,47,49,676 | - | 7.41% |

**As at March 31,2017**

Amount in Rs.

| Particulars | Total Borrowings | Fixed Rate Borrowings | Floating Rate Borrowings | Interest free borrowings | Weighted average interest rate (%) |
|---|---|---|---|---|---|
| Borrowings in INR | 4,30,34,34,838 | 12,27,49,477 | 3,57,25,43,000 | 60,81,42,361 | 7.89% |
| Borrowings in Foreign Currency (USD) | 78,14,72,089 | - | 78,14,72,089 | - | 6.44% |

**Maturity analysis of unamortised Financial Liabilities**

**As at March 31, 2018**

Amount in Rs.

| Particulars | Carrying Amount | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 4,60,03,82,387 | 2,22,57,63,448 | 27,55,45,228 | 26,05,75,153 | 1,83,84,98,558 | 4,60,03,82,387 |
| Non interest bearing borrowings | 8,00,000 | 8,00,000 | | | | 8,00,000 |
| Trade payables | 64,13,76,723 | - | 64,13,76,723 | - | - | 64,13,76,723 |
| Other Liabilities | 7,56,02,886 | 8,27,540 | 7,47,75,346 | | | 7,56,02,886 |

**As at March 31, 2017**

Amount in Rs.

| Particulars | Carrying Amount | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 5,08,41,06,927 | 2,22,41,66,072 | 24,42,13,286 | 24,87,98,198 | 2,32,00,11,664 | 5,03,71,89,220 |
| Non interest bearing borrowings | 8,00,000 | 8,00,000 | | | | 8,00,000 |
| Trade payables | 27,00,29,406 | - | 27,00,29,406 | - | - | 27,00,29,406 |
| Other Liabilities | 10,18,09,165 | - | 10,18,09,165 | - | - | 10,18,09,165 |

**As at April 01, 2016**

Amount in Rs.

| Particulars | Carrying Amount | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 5,68,75,78,641 | 2,38,55,22,860 | 25,33,17,987 | 23,21,92,313 | 2,81,65,45,481 | 5,68,75,78,641 |
| Non interest bearing borrowings | 8,00,000 | 8,00,000 | | | | 8,00,000 |
| Trade payables | 29,27,94,656 | - | 29,27,94,656 | - | - | 29,27,94,656 |
| Other Liabilities | 7,69,43,477 | - | 7,69,43,477 | - | - | 7,69,43,477 |

The Group has current financial assets which will be realised in ordinary course of business. The Group ensures that it has sufficient cash on demand to meet expected operational expenses.
The Group relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Group is focused on keeping strong total equity base to ensure independence, security, as well as high financial flexibility for potential future borrowings.

**The gearing ratio is as follows:**

Amount in Rs.

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Borrowings | 4,28,32,10,618 | 4,73,04,28,407 | 5,29,92,48,285 |
| Less : Cash and Cash Equivalents | 85,43,310 | 1,91,49,466 | 1,38,26,826 |
| Net Debt | 4,27,46,67,308 | 4,71,12,78,941 | 5,28,54,21,459 |
| Equity | 22,50,86,460 | 22,50,86,460 | 22,50,86,460 |
| Equity and Net Debt | 4,49,97,53,768 | 4,93,63,65,401 | 5,51,05,07,919 |
| Gearing Ratio | 0.95 | 0.95 | 0.96 |

42 First time Ind AS adoption reconciliation

In terms of IND AS 101, "First-Time Adoption of Indian Accounting Standards" the required reconciliation of Equity, Other Comprehensive Income and Cash Flows with respect to the figures reported under the previous GAAP are as under:

42.1 Effect of Ind AS adoption on the balance sheet as at 01-04-2016(Transition date) and 31-3-2017

Amount in Rs.

| | | Particulars | Refer Note. 42.7 | Previous GAAP Balance Sheet as at 1st April 2016 | Effect of transition to Ind AS | IND AS Balance Sheet As at 1st April 2016 | Previous GAAP Balance Sheet as at March 31, 2017 | Effect of transition to Ind AS | IND AS Balance Sheet As at March 31, 2017 |
|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | |
| | | Non-current Assets | | | | | | | |
| (a) | | Property, Plant And Equipment | (i) & (iia1) | 5,63,45,11,875 | (7,69,50,973) | 5,55,75,60,702 | 5,56,37,86,365 | (9,52,93,512) | 5,46,84,94,853 |
| (b) | | Capital Work in progress | | 24,22,46,646 | - | 24,22,46,646 | 35,23,52,870 | - | 35,23,52,870 |
| (c) | | Other Intangible assets | | 19,38,729 | - | 19,38,729 | 12,92,486 | - | 12,92,486 |
| (d) | | Financial Assets | | | | | | | |
| | i | Investments | | 86,84,89,620 | - | 86,84,89,620 | 85,24,58,620 | - | 85,24,58,620 |
| | ii | Other Financial Assets | (iii), (vi) | 2,08,48,308 | 3,16,83,361 | 5,25,31,669 | 1,88,64,818 | 2,27,51,697 | 4,16,16,515 |
| (e) | | Deferred Tax Assets(Net) | | 26,20,367 | (25,471) | 25,94,896 | 45,98,994 | (10,639) | 45,88,355 |
| (f) | | Other Non current assets | (i) & (ii) | 15,51,41,717 | 2,25,04,532 | 17,76,46,249 | 15,54,68,185 | 3,74,00,434 | 19,28,68,619 |
| | | | | 6,92,54,06,062 | (2,27,88,551) | 6,90,26,17,511 | 6,94,88,22,338 | (3,51,50,020) | 6,91,36,72,318 |
| | | Current Assets | | | | | | | |
| (a) | | Inventories | | 1,80,03,48,347 | - | 1,80,03,48,347 | 1,79,98,12,343 | - | 1,79,98,12,343 |
| (b) | | Financial Assets | | | | | | | |
| | (i) | Trade receivables | | 1,79,76,94,425 | - | 1,79,76,94,425 | 1,83,05,77,682 | - | 1,83,05,77,682 |
| | (ii) | Cash and cash equivalents | | 1,38,26,826 | - | 1,38,26,826 | 1,91,49,466 | - | 1,91,49,466 |
| | (iii) | Other Bank balances | | 5,85,92,336 | - | 5,85,92,336 | 6,74,32,361 | - | 6,74,32,361 |
| | (iv) | Loans | | 57,61,84,136 | - | 57,61,84,136 | 59,20,17,271 | - | 59,20,17,271 |
| | (v) | Others | (vii) | 51,70,353 | 90,00,000 | 1,41,70,353 | 33,92,630 | 90,00,000 | 1,23,92,630 |
| (c) | | Other current assets | (i) & (ii), (v) | 90,23,91,433 | (21,59,17,837) | 68,64,73,596 | 61,12,85,770 | (27,52,93,861) | 33,59,91,909 |
| | | | | 5,15,46,07,856 | (20,69,17,837) | 4,94,76,90,019 | 4,92,36,67,523 | (26,62,93,861) | 4,65,73,73,662 |
| | | Total Assets | | 12,08,00,13,918 | (22,97,06,388) | 11,85,03,07,530 | 11,87,24,89,861 | (30,14,43,881) | 11,57,10,45,980 |
| EQUITY AND LIABILITIES | | | | | | | | | |
| | | Equity | | | | | | | |
| (a) | | Equity Share Capital | | 22,50,86,460 | - | 22,50,86,460 | 22,50,86,460 | - | 22,50,86,460 |
| (b) | | Other Equity | 42.3 | 5,35,81,99,972 | (35,24,68,001) | 5,00,57,31,971 | 5,72,21,22,001 | (38,07,51,807) | 5,34,13,70,194 |
| | | Minority Interest | | 64,78,558 | 22,784 | 65,01,342 | 53,49,701 | 8,347 | 53,58,048 |
| | | | | 5,58,97,64,990 | (35,24,45,217) | 5,23,73,19,773 | 5,95,25,58,162 | (38,07,43,460) | 5,57,18,14,702 |
| | | Non-current Liabilities | | | | | | | |
| (a) | | Financial Liabilities | | | | | | | |
| | | Borrowing | (iia1), (iia2), (iib) | 2,81,65,45,481 | (38,90,79,433) | 2,42,74,66,048 | 2,32,00,11,665 | (35,44,51,519) | 1,96,55,60,146 |
| (b) | | Provisions | | 1,86,08,339 | - | 1,86,08,339 | 2,48,76,959 | - | 2,48,76,959 |
| (c) | | Deferred Tax Liabilities | (v) | 31,76,71,100 | 11,32,48,432 | 43,09,19,532 | 35,52,95,720 | 7,98,93,162 | 43,51,88,882 |
| (d) | | Other Non Current Liabilities | (iiib), (vi) | - | 35,38,84,936 | 35,38,84,936 | - | 30,91,49,121 | 30,91,49,121 |
| | | | | 3,15,28,24,920 | 7,80,53,935 | 3,23,08,78,855 | 2,70,01,84,344 | 3,45,90,764 | 2,73,47,75,108 |
| | | Current liabilities | | | | | | | |
| (a) | | Financial Liabilities | | | | | | | |
| | i | Borrowings | | 2,38,63,22,860 | - | 2,38,63,22,860 | 2,27,18,81,779 | - | 2,27,18,81,779 |
| | ii | Trade Payables | | 29,27,94,656 | - | 29,27,94,656 | 27,00,29,406 | - | 27,00,29,406 |
| | iii | Other Financial Liabilities | | 56,12,80,714 | (50,922) | 56,12,29,792 | 59,48,23,644 | (29,997) | 59,47,93,647 |
| (b) | | Other current liabilities | (iiib), (vi) | 9,42,92,763 | 4,47,35,815 | 13,90,28,578 | 8,05,05,180 | 4,47,38,832 | 12,52,43,992 |
| (c) | | Provisions | | 27,33,016 | - | 27,33,016 | 25,05,346 | - | 25,05,346 |
| | | | | 3,33,74,24,009 | 4,46,84,893 | 3,38,21,08,902 | 3,21,87,47,355 | 4,47,08,815 | 3,26,44,56,170 |
| | | Total Equity and Liabilities | | 12,08,00,13,918 | (22,97,06,389) | 11,85,03,07,530 | 11,87,24,89,861 | (30,14,43,881) | 11,57,10,45,980 |

42.2 Effect of IND AS adoption on the Statement of Profit and Loss for the year ended 31st March 2017

Amount in Rs.

| Particulars | Note No. | Previous GAAP Statement of Profit or Loss for the year ended 31st March 2017 | Effect of transition to IND AS | IND AS Statement of Profit or Loss for the year ended 31st March 2017 |
|---|---|---|---|---|
| **Revenue** | | | | |
| I. Revenue from Operations | | 7,79,42,92,175 | - | 7,79,42,92,175 |
| II. Other Income | (ii), (viii) & (x) | 2,17,05,847 | 4,48,04,151 | 6,65,09,998 |
| III. Total Income (I+II) | | 7,81,59,98,022 | 4,48,04,151 | 7,86,08,02,173 |
| **Expenses** | | | | |
| Cost of Materials Consumed | | 4,84,62,15,118 | - | 4,84,62,15,118 |
| Purchase of Stock-in-Trade | | 25,82,45,821 | - | 25,82,45,821 |
| (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress | | (1,49,44,971) | - | (1,49,44,971) |
| Employee Benefits Expenses | (v) | 19,35,07,400 | (21,30,723) | 19,13,76,677 |
| Finance costs | (iv)(1), (iv)(2) & (iii) | 38,67,15,320 | 3,46,51,838 | 42,13,67,158 |
| Depreciation and amortisation expense | (iv)(1) | 44,27,16,002 | (18,28,440) | 44,08,87,562 |
| Other Expenses | (i) & (ii) | 1,48,55,19,097 | 91,52,767 | 1,49,56,71,864 |
| IV. Total Expenses | | 7,39,67,47,888 | 3,48,45,240 | 7,43,16,13,128 |
| V. Profit/(loss) before tax (III-IV) | | 41,92,50,134 | 99,58,911 | 42,91,89,045 |
| VI. Tax expense: | | | | |
| (1) Current tax | (x) | 2,97,81,970 | 6,04,96,532 | 9,02,78,502 |
| (2) Deferred tax | (x) | 3,56,54,993 | (3,26,39,214) | 30,15,779 |
| Tax expense | | 6,54,36,963 | 2,78,57,318 | 9,32,94,281 |
| VII. Profit/(Loss) for the year after Tax (V-VI) | | 35,37,93,171 | (1,78,98,407) | 33,58,94,764 |
| **VIII. Other Comprehensive Income** | | | | |
| **Items that will not be reclassified to Profit or Loss** | | | | |
| Re-measurement gains/ (losses) on defined benefit plans | (v) | - | (21,30,723) | (21,30,723) |
| Income tax relating to items that will not be reclassified to Profit or Loss | | - | 7,30,888 | 7,30,888 |
| **Other Comprehensive Income for the year after tax** | | - | (13,99,835) | (13,99,835) |
| **IX. Total Comprehensive Income for the year (VII+VIII)** | | 35,37,93,171 | (1,92,98,242) | 33,44,94,929 |

42.3 Reconciliation of Total Equity as given below:

Amount in Rs.

| Particulars | Note No. | As at March 31, 2017 | As at 1st April 2016 |
|---|---|---|---|
| **Total Equity(Shareholders' Funds) under previous GAAP** | | 5,95,25,58,162 | 5,28,97,64,990 |
| **IND AS Adjustment** | | | |
| Effect of adjustment of Processing Fees for Property, Plant & Equipments | | (39,01,511) | (53,24,010) |
| Effect of Fair Valuation of Financial Instruments | | 3,11,52,898 | 1,95,90,191 |
| Effect of de recognition of Lease Rentals | | (4,01,89,489) | (3,86,95,148) |
| Effect of recognition of Government Grant receivable under capital promotion incentive scheme | | (91,06,450) | 14,65,247 |
| Adjustment of Deferred Tax Liability created due to IND AS impact and reversal of the same during the year | | (33,639) | (25,471) |
| Effect of Finance Cost as per Effective Interest Rate Method | | 31,506 | 82,430 |
| Recognition of deferred tax on asset base of Property Plant & Equipment and others | | (73,86,79,713) | (55,15,38,450) |
| **Total Equity as per IND AS** | | 5,27,18,14,702 | 5,23,73,19,773 |

Notes to the Consolidated Financial Statements

## 42.4 Reconciliation of Total Comprehensive income for the year ended March 31, 2017

Amount in Rs.

| Particulars | | Notes | For the year ended March 31, 2017 |
|---|---|---|---|
| 1 | **Net Profit under previous GAAP** | | **35,37,93,171** |
| | **Adjustments** | | |
| | Increase in other income as per Effective Interest Method | | 68,336 |
| | Increase in Finance Costs as per Effective Interest Method | | (3,46,51,836) |
| | Effect of present value of financial instruments | | 4,47,35,815 |
| | Effect of de-recognition of lease rentals | | (23,24,126) |
| | Gain on adjustment for gratuity amount recognized in other comprehensive income | | 21,30,722 |
| | Recognition of deffered tax on asset base of Property,Plant & Equipment and others | | (2,78,57,318) |
| 2 | **Total Effect on Conversion to Ind AS** | | **(1,78,98,407)** |
| 3 | **Net profit for the period under Ind AS (1+2)** | | **33,58,94,764** |
| 4 | Other Comprehensive Income for the period (net of tax) | 33.4 | (13,99,835) |
| 5 | **Total Comprehensive Income under Ind AS (3+4)** | | **33,44,94,929** |

## 42.5 Reconciliation of Statement of Cash Flow for the year ended March 31, 2017

There were no material differences between the Statement of Cash Flows presented under IND AS and the previous GAAP.

**42.6 FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions**

These Consolidated Financial Statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS Consolidated Financial Statements for the year ended March 31, 2018.

**i) Overall principle:**

a) The Group has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Group used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occuring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition.

b) However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below:

**ii) Deemed cost for Property, Plant and Equipment and Intangible assets:**

The Group has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

**iii) Impairment of financial assets**

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Group, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**iv) Determining whether an arrangement contains a lease**

The Group as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.

**v) Derecognition of financial assets and financial liabilities**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

**42.7 Explanatory Notes to reconciliation between Previous GAAP and Ind AS**

**(i) Accounting of Leasehold Land**

(a) Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments. Consequently, as on the transition date April 1, 2016 carrying amount of the leasehold land amounting to Rs. 5,82,78,920 has been decapitalised and remaining unamortised portion as on transition date amounting to Rs. 4,05,66,916 have been shown as prepayments under Ind AS with corresponding decrease on equity by Rs. 177,12,004. Further payments made for Lease hold Land during the year March 31, 2017 were also decapitalised and transferred to Prepayments under Ind AS and accordingly the value of Lease hold Land have been reduced by Rs. 2,01,89,178 with corresponding increase in Prepayments during the year ended 31st March 2017. Subsequent changes for the year ended March 31, 2017 amounting to Rs. 2,215,085 shown under Other Expenses has been recognised in the Statement of Profit and Loss.

(b) Ind AS requires expense relating to operating leases to be accounted for on straight line basis where the escalation vary because of factors other than general inflation. In entity's case, rent for the aforementioned lease is liable to be doubled after 4 years. Thus, this has resulted in decrease in Equity by Rs. 1,89,83,143 with corresponding increase of Lease liability as on the date of transition and the subsequent changes for the year ended March 31, 2017 amounting to Rs. 17,80,586 shown under Other Expenses has been recognised in the Statement of Profit and Loss.

**(ii) Fair Valuation of Financial Assets & Liabilities**

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of profit and loss.

On transition, the Group has fair valued certain financial assets including Security Deposits. This has resulted in decrease in Security Deposits by Rs.43,16,639, recognition of Deferred Loss on fair valuation of Financial Instrument RS. 32,92,939 and decrease in total Equity Rs. 10,23,700 as on April 1, 2016 and the subsequent changes for the year ended March 31, 2017 amounting to Rs. 1,57,115 shown under Other Expense and Rs. 68,336 shown under Other inome has been recognised in the Statement of Profit and Loss.

**(iii) Borrowings**

**(a) Term Loan from Banks and Others:**

1. Under previous GAAP, transaction costs incurred for raising finance from Bank in respect of acquiring Property, Plant & Equipments was considered as part of cost of Property, Plant & Equipments and are capitalised with the PPE. Under Ind AS,Transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition as Financial liability consisting of long term borrowings are to be fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. These costs are recognised over the tenure of the borrowing as part of the interest cost by applying Effective Interest Rate method. Such interest costs are added with the cost of PPE till the PPE are ready for use.Accordingly, as on the transition date April 1, 2016, the carrying amount of the Property ,Plant & Equipment amounting to Rs. 1,86,72,054 has been decapitalized with corresponding decrease of Long Term Borrowings by Rs. 94,84,978 and decrease in Equity by Rs. 81,87,076 and subsequent changes for the year ended March 31, 2017 amounting to Rs. 12,87,331 shown under Depreciation and Finance Costs Rs. 34,87,579 has been recognised in the Statement of Profit and Loss.

2. Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit or Loss in the year in which such costs were incurred.

Under Ind AS, financial liability consisting of long term borrowings are to fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method, the transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition date, the Group has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by Rs 39,45,490 as on April 1, 2016 respectively with corresponding increase in total equity and subsequent changes for the year ended March 31, 2017 amounting to Rs. 14,88,756 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

**(b)Unsecured loan from Bodies Corporate:**Under Previous GAAP, receivables and payables were recognised at transaction value.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The resulting changes are either recognised under finance income or expenses in the Statement of profit and loss.

On transition, the Group has fair valued unsecured Loans taken from Bodies corporate. This has resulted in decrease in unsecured Loan by Rs.37,56,99,888, recognition of Deferred Gains on fair valuation of Financial Instruments Rs. 35,50,85,998 and increase in total Equity Rs. 2,06,13,890 as on April 1, 2016 and the subsequent changes for the year ended March 31, 2017 amounting to Rs.4,13,07,512 shown under other income and Rs. 2,96,56,085 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

**(iv) Remeasurement of Defined Benefit Plan**

Under previous GAAP and Ind AS, the Group recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

This has resulted in reclassification of re-measurement gains on defined benefit plans (net of tax) of Rs. 11,99,835 for the year ended March 31, 2017 from Statement of profit and loss to OCI.

**(v) Taxation**

(a) In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT) and accordingly the carrying value of Minimum Alternate Tax credit entitlement amounting to Rs. 21,82,30,019 (Rs. 27,87,86,551 as on March 31, 2017) as per Previous GAAP shown under Other Current Assets as on April 1, 2016 being transition date have been reduced from Deferred Tax Liability under Ind AS. Consequently, Reversal of MAT Credit entitlement of Rs. 6,04,96,532 shown under Income Tax expenses for the year March 31, 2017 under previous GAAP have been reclassified as Deferred Tax Charges for the year ended March 31, 2017 under Ind AS.

(b) Deferred tax has been recognized in respect of accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by Rs. 33,15,63,922 as on April,1,2016 and subsequent changes for the year ended March 31, 2017 amounting to Rs. 2,71,51,909 shown under Deferred Tax charges has been recognized in the Statement of Profit and Loss.

**vi) Government Grant**

Grant of Rs. 450 Lakhs was approved to the Group on 29th October 2015 for investment in Plant & Machinery in Jamshedpur under Capital promotion incentive Scheme on 29th October 2015.As per the terms and conditions of the grant,20% of the grant amount will be received in 5 year starting from 2016-17. Subsidy received is recognized under Capital reserve under the previous GAAP.

Ind AS does not permit recognition of government grant in the nature of Capital Subsidy to capital reserve.Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset.

Accordingly, to comply with Ind AS- 20 the Group has recognised Government Grant aggregating to Rs. 4,50,00,000 as Government Grant Receivable with the corresponding recognition of Deferred income of Rs.4,35,34,753 and the differential impact aggregating to Rs. 14,65,247 has been transferred to retained earnings as at the transition date and the subsequent changes for the year ended March 31, 2017 amounting to Rs. 34,28,303 shown under Other income in the Statement of Profit and Loss.Further receipt of 20% of the grant amounting to Rs. 90,00,000 shown under Capital reserve under previous GAAP by the Group have been adjusted from Government Grant receivable recognised under Ind AS on transition Date.

**vii) Corporate Guarantee**

Under previous GAAP, Corporate Guarantee issued by the Holding Company on behalf of Subsidiary Companies was not recognised but disclosed as a Contingent Liability.

Under Ind AS, Corporate Guarantee issued by the Holding company are designated as "Insurance Contracts". The company has classified the financial guarantee contract as contingent liability. Accordingly, there are no assets and liabilities recognised in the Balance Sheet under the contract.

viii) Previous GAAP figures have been reclassified to conform with IND AS presentation requirements for the purpose of these notes.

43. Due to substantial losses incurred by one of the subsidiary company and the prevailing market condition etc.,the Management of the said subsidiary company has taken steps to procure adequate service orders from Steel Authority of India Limited, joint venturer and other customers.Further, during the year the volume of services rendered have also been increased as compared to earlier years.

Taking the above into consideration, the management of the subsidiary company believes that the aforesaid company has the ability to continue its operations as a going concern in the foreseeable future and accordingly the financial statements for the year ended 31st March 2018 have been prepared on the basis that the said subsidiary company is a going concern.

44. These Consolidated financial statements have been approved by the Board of Directors of the Company on May 26, 2018 for issue to the shareholders for their adoption.

For and on behalf of the Board

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|---|---|
| Sd/- | Sd/- |
| Ram Gopal Bansal | Harsh Bansal |
| Chairman | Managing Director |
| DIN: 00144159 | DIN: 00137014 |
| Sd/- | Sd/- |
| Abhishek Agarwal | Arbind Jain |
| Chief Financial Officer | Company Secretary |

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn No.-301051E

Sd/-
H.K. Verma
Partner
Membership No. 055104
Place: Kolkata
Date: 26th May, 2018