

# BOMBAY WIRE ROPES LIMITED

**ANNUAL REPORT  
2012-2013**



**BOMBAY  
WIRE ROPES  
LIMITED**



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WIRE ROPES  
LIMITED**

**ANNUAL REPORT 2012-2013**

**BOARD OF DIRECTORS**

KANTI KUMAR KANORIA (upto 17th April, 2013)	Chairman
KASHINATH RAJGARHIA	Director
DR. ANURAG KANORIA	Director
RAJ KUMAR JHUNJHUNWALA (from 25th March, 2013)	Director
M. K. CHAKRABORTY (upto 31st August, 2013)	Executive Director

**REGD. OFFICE**

401/405, JOLLY BHAVAN NO. 1,  
10, NEW MARINE LINES,  
MUMBAI - 400 020.

**AUDITORS**

SINGHI & CO.



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## **NOTICE**

NOTICE is hereby given that the 52nd Annual General Meeting of the members of **BOMBAY WIRE ROPES LIMITED** will be held at Kasliwal Board Room, The Maharashtra Chamber of Commerce, 6th Floor, Oricon House, 12, Rampart Row, Fort, Mumbai - 400 023 on Thursday, 28th November, 2013 at 3.30. p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors and the Directors thereon.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Dr. Anurag Kanoria who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint the Auditors and to fix their remuneration.

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof for the time being in force), Shri Raj Kumar Jhunjhunwala, who pursuant to the Articles of Association of the Company was appointed as an Additional Director of the Company on 25th March, 2013 and who under section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a Notice in writing from a member signifying his intention to propose the candidature of Shri Raj Kumar Jhunjhunwala for the Office of the Director of the Company, be and is hereby appointed as a Director of the Company.

Mumbai, the 23rd September, 2013  
Registered Office :  
401/405, Jolly Bhavan No. 1,  
4th Floor, 10, New Marine Lines,  
Mumbai - 400 020.

By Order of the Board of Directors  
For **BOMBAY WIRE ROPES LIMITED**  
Dr. Anurag Kanoria  
Director

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### **Notes :**

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself, and such proxy need not be a member of the Company.
- b) Members are requested to notify change in their addresses, if any, to the Company.
- c) The Register of Members and the Share Transfer Book of the Company will remain closed from Thursday, 14th November, 2013 to Thursday, 28th November, 2013 (Both days inclusive) for the purpose of payment of dividend, if any, approved by the members.
- d) If dividend on equity shares as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on and after 29th November, 2013 to those members whose names are on the Register of Members of the Company after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Thursday, 14th November, 2013.

Shareholders are requested to provide requisite bank details to facilitate payment of dividend etc. for printing on the payment instruments.

- e) Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
- f) The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.

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**Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.**

**Regarding Item No. 5**

Shri Raj Kumar Jhunjunwala was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 25th March, 2013 under section 260 of the Companies Act, 1956. His term of office will expire at this Annual General Meeting. Notice has been received from a member along with a deposit of Rs. 500/- under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Raj Kumar Jhunjunwala as a Director of the Company.

Shri Raj Kumar Jhunjunwala, aged on or about 62 years, has done his B.Com from Bombay University and is an able businessman and administrator with an experience of over 30 years in industry and business.

The Directors of the Company recommend the resolution set out at item no. 5 of the Notice for approval of the shareholders.

Shri Raj Kumar Jhunjunwala is deemed to be concerned or interested in the resolution which pertains to his appointment.

None of the other Directors of the Company are concerned or interested in the resolution.

Mumbai, the 23rd September, 2013

Registered Office :  
401/405, Jolly Bhavan No. 1,  
4th Floor, 10, New Marine Lines,  
Mumbai – 400 020.

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED  
Dr. Anurag Kanoria  
Director



## ***DIRECTORS' REPORT TO THE SHAREHOLDERS***

Your Directors hereby present the 52nd Annual Report of the Company along with the audited statement of accounts for the year ended 31st March, 2013.

### **FINANCIAL RESULTS :**

	<u>2012-2013</u>	<u>2011-2012</u>
	Rupees	Rupees
Profit before Tax	11,52,05,383	(78,35,226)
Less: Provision for Current Tax	2,11,00,000	—
Add: MAT Credit Entitlement	2,08,75,770	—
Net Profit for the Year	11,49,81,153	(78,35,226)
Less: Balance of Loss brought forward	(10,86,91,429)	(10,08,56,203)
Fund Available for Appropriation	62,89,724	(10,86,91,429)
Less: Appropriations:		
Dividend on 35000, 9.50% Non-Convertible Cumulative Redeemable Preference Shares for earlier years	28,01,095	—
Dividend on 35000, 9.50% Non-Convertible Redeemable Preference Shares for the Year	1,38,450	—
Corporate Dividend Tax on Preference Shares	4,76,870	—
Proposed Dividend on Equity Shares	53,39,500	—
Corporate Dividend Tax on Equity Shares	9,07,448	—
Transfer to General Reserve	1,25,00,000	—
Total Appropriation	2,21,63,363	—
Balance carried to Balance Sheet	(1,58,73,639)	(10,86,91,429)

### **DIVIDEND :**

The Company has during the year paid dividend towards earlier accumulated arrears as well as for the year on 35000 9.50% Non Convertible Cumulative Redeemable Preference Shares. The total outgo towards the said dividend together with corporate tax on dividend was Rs.34,16,415/-.

Your Directors, subject to the shareholders' approval, recommend, out of the profits for the current year, a dividend of Re. 1.00 (10.00%) along with a one time special dividend of Rs.9.00 (90.00%) aggregating to Rs. 10.00 (100.00%) per equity share of Rs.10.00 each for the year ended 31st March, 2013. The total outgo towards the proposed dividend together with corporate tax thereon amounts to Rs.62,46,948/-

As informed earlier, the Company has closed down its wire rope factory situated at Kolshet Road, Thane. During the year under review, the plant and machinery as well as the stocks at the wire rope factory have also been disposed off.

The Company has also discontinued its activity of manufacturing wooden furniture in the year under review.

The Company, along with its erstwhile developer as a confirming party, had entered into an agreement dated 29th December, 2005 with a developer for grant of development rights in the land owned by the Company. The said agreement was thereafter terminated by the Company on 2nd November, 2007 on certain grounds and the dispute arising thereof was referred to arbitration. The Arbitral Tribunal vide its Award dated 15th June, 2011 had set aside the said termination and directed the Company, as well as the confirming party, to execute a conveyance of the property in favour of the developer against receipt of the balance consideration against the agreement along with interest thereon by the Company as well as the confirming party. Based on expert legal advice, the Company and the confirming party had challenged the said award in the Hon'ble High Court of Bombay which had admitted their appeal.

During the year under review, the Company and the confirming party have negotiated and settled their disputes with the developer and the resultant consent terms dated 13th July, 2012 have been approved by the High Court in terms of which the aggregate consideration payable to the Company by the developer has stood enhanced to Rs.28.64 crores from Rs.11.00 crores.

In view of the above developments, the Board of the Company is in the process of evaluating alternative business opportunities which the Company may chose to enter into in future. In the meantime, the surplus funds with the Company have been deposited in the form of short term highly liquid investments in mutual funds.

The Company has redeemed 35000 9.50% Non Convertible Cumulative Redeemable Preference Shares during the year in pursuance of a shareholders resolution dated 31st August, 2012 through a process of Postal Ballot.

The Company has also transferred 5000 9.50% Non Convertible Cumulative Redeemable Preference Shares to Current Liabilities as there has been no response to the Notice given by the Company to the holder of these shares.

#### **DIRECTORS :**

The Chairman of the Company, Shri Kanti Kumar Kanoria, unfortunately passed away on 17th April, 2013. The Board recorded its heartfelt condolences to the family of Shri Kanoria and placed on record its sincere and deep appreciation for the valuable services and guidance rendered by Shri Kanoria during his long tenure as a Director and Chairman of the Company which has contributed in large measure towards the revival of the Company.

Shri M.K. Chakraborty, Executive Director of the Company, has retired on 31st August, 2013. The Board wishes to place on record its appreciation of the valuable services rendered by Shri Chakraborty during his long tenure as the Executive Director of the Company.

In accordance with the Articles of Association of the Company, Dr. Anurag Kanoria, Director of the Company, retires by rotation and is eligible for re-election.

Pursuant to section 260 of the Companies Act, 1956, Shri Raj Kumar Jhunjunwala was appointed as an Additional Director of the Company with effect from 25th March, 2013. He vacates his office as a Director in the forthcoming Annual General Meeting of the Company. The Company has received a notice in terms of section 257 of the Companies Act, 1956 from a shareholder indicating his intention to propose Shri Raj Kumar Jhunjunwala to the office of a Director.

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm that

- A. The applicable accounting standards have been followed in the preparation of the annual accounts and there has been no material departure from the same;



- B. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the period;
- C. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- D. The Directors have prepared the annual accounts on a going concern basis.

**AUDITORS :**

Messrs Singhi & Company, Chartered Accountants, Auditors of the Company, retire, and being eligible, offer themselves for reappointment.

**AUDITORS' REPORT :**

The observations made in the Auditors' Report are self-explanatory and do not require further explanation/ comment.

**FIXED DEPOSITS :**

There are no fixed deposits with the Company and the Company has not accepted any fixed deposits during the year.

**PARTICULARS OF EMPLOYEES :**

There is no employee covered by section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended.

**CONSERVATION OF ENERGY :**

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings outgo as required under section 217(1)(e) of the Companies Act, 1956 are given in a separate Annexure attached hereto which forms a part of this Report.

**CORPORATE GOVERNANCE:**

The shares of the Company are listed with the Bombay Stock Exchange. The code of corporate governance as introduced by the Securities and Exchange Board of India (SEBI) is not applicable to the Company as its paid up share capital is below the stipulated figure laid down by SEBI in this regard.

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

Place : Mumbai,  
Dated : 23rd September, 2013

Raj Kumar Jhunjhunwala  
Director

Dr. Anurag Kanoria  
Director



## **ANNEXURE TO THE DIRECTORS' REPORT:**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2013.

### **A. Conservation of Energy**

Particulars with respect of Conservation of Energy:

<b>Power &amp; Fuel Consumption :</b>	<b>For the year ended 31st March, 2013</b>	<b>For the year ended 31st March, 2012</b>
1. Electricity:		
a) Purchased Unit (Kwh)	NIL	NIL
Total/Amount (Rs.)	NIL	NIL
Rate/Unit (Kwh) (Rs.)	NIL	NIL
b) Own Generation :		
i) Through Diesel Generation		
Unit (Kwh)	NIL	NIL
Unit per Litre of Diesel Oil	NIL	NIL
Cost per Unit (Kwh) (Rs.)	NIL	NIL
ii) Through Steam Turbine/Generator	NIL	NIL
2. Coal (Specifying Quality & Where Used)		
3. Furnace Oil :		
Quantity (K. Ltrs.)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Average Rate/Litre (Rs.)	NIL	NIL
4. Other Internal Generation	NIL	NIL
5. Consumption per MT on production of Steel Wire Ropes/Sale Wires :		
Electricity (Kwh)	NIL	NIL
Furnace Oil (Litre)	NIL	NIL
CoalOthers	NIL	NIL
<b>B. Technology Absorption</b>	NIL	NIL
<b>C. Foreign Exchange earnings &amp; outgo :</b>		
<b>Earnings :</b>		
Export of Goods – FOB Value (Rs.) (including through Merchant Exporters)	NIL	NIL
<b>Outgo :</b>		
Export Returned Goods	NIL	NIL

By Order of the Board of Directors  
For BOMBAY WIRE ROPES LIMITED

Place : Mumbai,  
Dated : 23rd September, 2013

Raj Kumar Jhunjhunwala  
Director

Dr. Anurag Kanoria  
Director





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## **INDEPENDENT AUDITORS' REPORT**

TO  
THE MEMBERS OF  
**BOMBAY WIRE ROPES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Bombay Wire Ropes Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account read with note 28.2 of Note 28 - Notes on Accounts.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR SINGHI & COMPANY**  
Chartered Accountants  
F. R. No. 110283W

9th Floor, Twin Towers,  
Lokhandwala Complex,  
Andheri (West),  
Mumbai – 400 053.  
Maharashtra, India.

Praveen Kumar Singhi  
Partner  
Membership No. 51471

Dated : 23rd September, 2013



## **ANNEXURE TO THE AUDITORS' REPORT**

**Statement referred to in our Report of even date to the members of Bombay Wire Ropes Limited on the financial statements for the year ended 31st March, 2013.**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a policy of verifying its fixed assets every year which is reasonable having regard to the size of the Company. As explained to us, physical verification has been carried out and no discrepancies were observed between the book records and the verification at the end of the year.
- (c) During the year, the Company has disposed off the whole of its fixed assets of the wire rope factory and also discontinued its activity of manufacturing wooden furniture. Based on the information and explanation given by the management, the Company has invested its surplus funds in mutual funds and hence the Company continues to be a going concern as the surplus funds lying with the Company are to be utilized in new avenues to be decided by its management.
- ii) (a) The Company does not hold any inventory at the end of the year and therefore provisions of Clause (ii) of paragraph 4 of the Order are not applicable to the Company.
- iii) (a) (i) The Company has given unsecured loans during the year to a company covered in the register maintained under section 301 of the Act. The maximum amount outstanding at any time during the year was Rs.96,55,000/- and the amount outstanding as at the year end is Rs.96,55,000/-
- (ii) In our opinion, the rate of interest and other terms and conditions of loans given by the Company are not prejudicial to the interest of the Company.
- (iii) In respect of the said loans, terms of repayment is on demand including interest. The Company has not exercised the option.
- (b) (i) The Company has brought forward unsecured loans during the year from a company covered in the register maintained under section 301 of the Act. The maximum amount outstanding at any time during the year was Rs.3,27,54,973/- and the amount outstanding as at the year end is nil.
- (ii) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not prejudicial to the interest of the Company.
- (iii) In respect of the said loans, the amount has paid off during the year with interest.
- (iv) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) (a) In our opinion, and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under the said section.
- (b) In our opinion, and according to the information and explanation given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register as per section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, which have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the internal control system of the Company is commensurate with the size of the Company and nature of its business and there is not internal Audit System.



- viii) (a) According to the information and explanation given to us and according to books and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) Disputed statutory dues aggregating to Rs.32,64,089/- that have not been deposited on account of matters pending before appropriate authorities is as under:

Name of the statute	Nature of Dues	Period to which pertain	Amount in Rupees	Forum(Where the dispute is pending)
Income Tax Act, 1961	Income Tax	Assessment Year 1988-89	32,64,089 (Deposited Rs.21,59,608)	Hon'ble Bombay High Court.

- ix) The Company has accumulated losses from the previous year end but has not incurred any cash loss during the year. The Company had, however, incurred cash loss in the immediately preceding financial year but earned an overall cash profit after consideration of an exceptional item.
- x) The Company has not borrowed any funds from banks and/or financial institution and has not issued any debentures.
- xi) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- xii) In our opinion, and according to the information and explanations given to us, the Company has invested during the year in mutual funds. The Company has maintained proper records of transaction and contracts in respect of investments in share and securities and timely entries have been made therein. All shares, securities and other investment are held by the Company in its own name.
- xiii) The company has not given any guarantee for any loan taken by others from banks or financial institutions.
- xiv) The Company has not obtained any term loan during the year. On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- xv) On the basis of our examination, and according to the information and explanation given to us, the Company has not raised any funds
- xvi) The Company has not made any preferential issue of shares.
- xvii) The Company has not issued any debentures and therefore, the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- xviii) The Company has not raised any money by public issue during the year covered by our audit report.
- xix) In our opinion, and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially mis-stated.
- xx) Other clauses of the said Order are not applicable to the Company.

FOR SINGHI & COMPANY  
Chartered Accountants  
F. R. No. 110283W

9th Floor, Twin Towers,  
Lokhandwala Complex,  
Andheri (West), Mumbai - 400 053.  
Maharashtra, India.

Praveen Kumar Singhi  
Partner  
Membership No. 51471

Dated : 23rd September, 2013



**BALANCE SHEET AS AT 31ST MARCH, 2013**

(Currency : Indian Rupees)

	<u>Note No.</u>	<u>As at 31st March, 2013</u>		<u>As at 31st March, 2012</u>	
		<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
<b>I EQUITY &amp; LIABILITIES</b>					
<b>1. SHARE HOLDERS' FUND</b>					
a. Share Capital	2	53,39,500		93,39,500	
b. Reserves & Surplus	3	<u>6,53,93,335</u>	<u>7,07,32,835</u>	<u>(4,58,78,244)</u>	<u>(3,65,38,744)</u>
<b>2. NON CURRENT LIABILITIES</b>					
a. Long Term Provisions	4		<u>7,99,502</u>		<u>5,26,507</u>
<b>3. CURRENT LIABILITIES</b>					
a. Short Term Borrowings	5	—		2,69,86,966	
b. Trade Payables	6	<u>22,78,151</u>		<u>24,36,224</u>	
c. Other Current Liabilities	7	<u>12,66,422</u>		<u>3,98,63,265</u>	
d. Short Term Provisions	8	<u>81,59,969</u>	<u>1,17,04,542</u>	<u>2,56,866</u>	<u>6,95,43,321</u>
<b>Total</b>			<u><b>8,32,36,879</b></u>		<u><b>3,35,31,084</b></u>
<b>II ASSETS</b>					
<b>1. NON CURRENT ASSETS</b>					
a. Fixed Assets					
i. Tangible Assets	9	<u>1,04,50,481</u>		<u>9,16,486</u>	
ii. Capital Work in Progress		—		<u>1,50,000</u>	
		<u>1,04,50,481</u>		<u>10,66,486</u>	
b. Non Current Investments	10	—		<u>255</u>	
c. Other Non Current Assets	11	<u>2,49,56,224</u>	<u>3,54,06,705</u>	<u>26,30,204</u>	<u>36,96,945</u>
<b>2. CURRENT ASSETS</b>					
a. Current Investments	12	<u>3,62,68,663</u>		—	
b. Inventories	13	—		<u>2,94,22,600</u>	
c. Trade Receivables	14	<u>30,939</u>		—	
d. Cash & Bank Balances	15	<u>2,70,132</u>		<u>2,50,871</u>	
e. Short Term Loans & Advances	16	<u>1,12,60,440</u>	<u>4,78,30,174</u>	<u>1,60,668</u>	<u>2,98,34,139</u>
<b>Total</b>			<u><b>8,32,36,879</b></u>		<u><b>3,35,31,084</b></u>

Notes  
(Including Significant Accounting Policies)  
Forming part of the Financial Statements

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As per our report of even date  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

For and on behalf of the Board of Directors

Praveen Kumar Singhi  
Partner  
Membership No. 051471

Raj Kumar Jhunjunwala  
Director

Dr. Anurag Kanoria  
Director

Place : Mumbai  
Date : 23rd September, 2013

Place : Mumbai  
Date : 23rd September, 2013



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Currency : Indian Rupees)

	Note No.	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
		Rupees	Rupees	Rupees	Rupees
<b>I REVENUE FROM OPERATIONS (GROSS) :</b>					
Sale of Goods	17	1,60,12,373		56,13,413	
Less: Excise Duty and Other Taxes		5,23,827			
Net Sale of Goods		1,54,88,546		56,13,413	
Other Operative Revenue		—		—	
Revenue from Operations (Net)			1,54,88,546		56,13,413
<b>II Other Income</b>	18		87,18,835		15,401
<b>Total</b>			<b>2,42,07,381</b>		<b>56,28,814</b>
<b>III EXPENDITURE:</b>					
Cost of Materials Consumed	19		49,63,633		52,94,125
Changes in Inventories of Finished Goods	20		2,33,91,177		(37,12,500)
Work-in-Progress and Stock-In-Trade					
Cost of Stocks and Stores & Spares Sold			19,03,150		—
Labour Charges	21		7,91,980		25,31,233
Employee Benefit Expenses	22		31,11,354		20,22,943
Finance Cost	23		14,58,042		37,63,579
Deprecation and Amortization Expenses	24		2,60,165		—
Other Expenses	25		35,68,774		35,64,660
<b>Total</b>			<b>3,94,48,275</b>		<b>1,34,64,040</b>
<b>IV PROFIT /(LOSS) BEFORE TAX, EXCEPTIONAL &amp; EXTRAORDINARY ITEMS AND TAX</b>			<b>(1,52,40,894)</b>		<b>(78,35,226)</b>
<b>V Exceptional Income</b>	26		<b>13,04,46,277</b>		<b>—</b>
<b>VI PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>			<b>11,52,05,383</b>		<b>(78,35,226)</b>
<b>VII Extraordinary Items</b>			<b>—</b>		<b>—</b>
<b>VIII PROFIT/(LOSS) BEFORE TAX</b>			<b>11,52,05,383</b>		<b>(78,35,226)</b>
<b>IX TAX EXPENSES</b>					
Current Tax		2,11,00,000		—	
Deferred Tax Charge/(Credit)		—		—	
Less: MAT Credit Entitlement		2,08,75,770		—	
Short/(Excess) Tax Provision for Earlier Years		—	2,24,230	—	—
<b>X PROFIT/(LOSS) FOR THE YEAR CARRIED TO BALANCE SHEET</b>			<b>11,49,81,153</b>		<b>(78,35,226)</b>
<b>XI EARNING PER EQUITY SHARE (Nominal Value Per Share Rs. 10/-)</b>					
Basic and Diluted	27		215.08		(14.67)
Notes	1-28				
(Including Significant Accounting Policies) Forming part of the Financial Statements					

As per our report of even date  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

For and on behalf of the Board of Directors

Praveen Kumar Singhi  
Partner  
Membership No. 051471

Raj Kumar Jhunjhunwala  
Director

Dr. Anurag Kanoria  
Director

Place : Mumbai  
Date : 23rd September, 2013

Place : Mumbai  
Date : 23rd September, 2013



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Currency : Indian Rupees)

	Continuing Operations		Discontinued Operations		Total	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit Before Exceptional Items and Extra Ordinary Items and Tax	(79,05,188)	(62,50,751)	12,31,10,571	(15,84,475)	11,52,05,383	(78,35,226)
Adjustments to reconcile Profit Before Exceptional Items and Extra Ordinary Items and Tax to Net Cash Flow provided by Operating Activities :						
Finance Costs	14,10,526	37,60,980	—	—	14,10,526	37,60,980
Depreciation and Amortisation Expense	1,05,119	—	1,55,046	—	2,60,165	—
Gratuity (Provision)	3,03,328	—	—	—	3,03,328	—
Leave Encashment (Provision)	1,40,118	—	—	—	1,40,118	—
Unspent Liabilities / Balances Written Back(net)	—	—	(47,61,284)	—	(47,61,284)	—
Interest Income	(31,42,613)	(15,401)	—	—	(31,42,613)	(15,401)
Pervious year expenses	—	1,500	—	—	—	1,500
Income /Dividend from Mutual Funds	(7,68,663)	—	—	—	(7,68,663)	—
Profit on Sale of Fixed Assets	—	—	—	—	—	—
Profit on Sale of Building	—	—	(17,258)	—	(17,258)	—
Profit on Sale of Land	—	—	—	—	—	—
<b>Operating Profit before Working Capital Changes</b>	<b>(19,52,185)</b>	<b>37,47,079</b>	<b>(46,23,496)</b>	<b>—</b>	<b>(65,75,681)</b>	<b>37,47,079</b>
Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :						
Increase / (Decrease) in Trade Payables	(14,28,073)	50,22,633	12,70,000	—	(1,58,073)	50,22,633
Increase / (Decrease) in Other Long-Term and Current Liabilities	(2,83,62,379)	—	(1,02,34,464)	—	(3,85,96,843)	—
(Decrease) / Increase in Short Term Provisions	—	—	81,76,098	—	81,76,098	—
Decrease / (Increase) in Inventories	1,50,84,812	(37,12,501)	1,43,37,788	—	2,94,22,600	(37,12,501)
Decrease / (Increase) in Trade and Other Receivables	—	2,15,182	(30,939)	—	(30,939)	2,15,182
(Increase) Decreases in Long-Term and Short-Term Loans & Advances	(1,10,99,772)	—	—	—	(1,10,99,772)	—
(Increase ) Decrease in Other Non-Current and Current Assets	(2,23,26,020)	—	—	—	(2,23,26,020)	—
Cash Generated from / (Used in ) Operations	(5,00,83,617)	52,72,393	8,89,4987	—	(4,11,88,630)	52,72,393
Dividend	(29,39,545)	—	—	—	(29,39,545)	—
Direct Tax Refund / (Expense) (Net)	(4,76,870)	—	(2,24,230)	—	(7,01,100)	—
Cash Flow before Exceptional and Extra Ordinary Items	(5,35,00,032)	52,72,393	86,70,757	—	(4,48,29,275)	52,72,393
Exceptional/Extra Ordinary Items (Previous Exp)	—	—	(13,04,46,277)	—	(13,04,46,277)	—
<b>Net Cash Generated/(Used in) Operating Activities</b>	<b>(6,14,05,220)</b>	<b>(9,78,358)</b>	<b>13,35,051</b>	<b>(15,84,475)</b>	<b>(6,00,70,169)</b>	<b>(25,62,833)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>						
Additions to Fixed Assets (Including Intangibles)	(1,05,55,600)	—	—	—	(1,05,55,600)	—
Sale of Property Land & Building	—	—	28,64,25,288	—	28,64,25,288	—
Sale of Fixed Assets	—	—	1,19,04,762	—	1,19,04,762	—
Redemption / Sale of Investments	—	—	(255)	—	(255)	—
Interest Income	14,22,044	15,401	—	—	14,22,044	15,401
Investment in Mutual Fund	(3,62,68,863)	—	—	—	(3,62,68,863)	—
Income Dividend from Mutual Funds	7,68,663	—	—	—	7,68,663	—
<b>Net Cash Generated / (Used In) Investing Activities</b>	<b>(4,46,33,756)</b>	<b>15,401</b>	<b>29,83,29,795</b>	<b>—</b>	<b>25,36,96,039</b>	<b>15,401</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (contd...)**

(Currency : Indian Rupees)

	Continuing Operations		Discontinued Operations		Total	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Repayment of Preference Shares	(35,00,000)	—	—	—	(35,00,000)	—
Repayment of Share Premium	(16,10,01,287)	—	—	—	(16,10,01,287)	—
Proceeds /(Repayment) of Short-Term Borrowings	(2,69,86,966)	6,25,5000	—	—	(2,69,86,966)	62,55,000
Previous Period Expenses	—	(1,500)	—	—	—	(1,500)
Dividend	(29,39,545)	—	—	—	(29,39,545)	—
Dividend Tax Paid	(4,76,870)	—	—	—	(4,76,870)	—
Previous Period Receipt	—	—	27,08,585	—	27,08,585	—
Interest Expense (Net)	(14,10,526)	(37,60,980)	—	—	(14,10,526)	(37,60,980)
<b>Net Cash Generated / (Used in) Financing Activities</b>	<b>(19,63,15,194)</b>	<b>24,92,520</b>	<b>27,08,585</b>	<b>—</b>	<b>(19,36,06,609)</b>	<b>24,92,520</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A + B + C)</b>	<b>(30,23,54,170)</b>	<b>15,29,563</b>	<b>30,23,73,431</b>	<b>(15,84,475)</b>	<b>19,261</b>	<b>(54,912)</b>
<b>Cash and Cash Equivalent at the beginning of the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,50,871</b>	<b>3,05,783</b>
<b>Cash and Cash Equivalent at the end of the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,70,132</b>	<b>2,50,871</b>

**Notes:-**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements" notified under the Companies Accounting Standard Rules, 2006.
- Proceeds / (Repayment) from Short-Term Borrowings have been shown on net basis.
- Cash and Cash Equivalent do not include any amount which is not available to the Company for its use.
- Cash and Cash Equivalent as at the Balance Sheet date consists of :

	<u>For the year ended 31st March, 2013</u>	<u>For the year ended 31st March, 2012</u>
	<u>Rpees</u>	<u>Rupees</u>
a) Cash on Hand	<u>13,827</u>	<u>8,374</u>
b) Balance with Banks on Current Accounts	<u>2,56,305</u>	<u>2,42,497</u>
	<u>2,70,132</u>	<u>2,50,871</u>

- Figure in brackets represent Cash Outflow from respective activities.
- As breakup of Cash and Cash Equivalent is also available in Note No. 15, reconciliation of items of Cash and Cash Equivalent as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

For and on behalf of the Board of Directors

Praveen Kumar Singhi  
Partner  
Membership No. 051471

Raj Kumar Jhunjhunwala  
Director

Dr. Anurag Kanoria  
Director

Place : Mumbai  
Date : 23rd September, 2013

Place : Mumbai  
Date : 23rd September, 2013





## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis.

GAAP comprises mandatory Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of operations and time between the procurement of raw material and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

#### **1.2. USE OF ESTIMATES :**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

#### **1.3 FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS :**

a) Fixed Assets are stated at their original cost (net of accumulated depreciation and impairments). Cost, (net of cenvat) includes acquisition price, import duties, other non-refundable taxes and levies, attributable expenses and pre-operational expenses including finance charges, wherever applicable.

b) Intangible Assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.

c) Expenditure during Construction Period:

Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative Expenses pending allocation to the assets and are shown under "Capital Work-In-Progress". Capital Work-In-Progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

#### **1.4. DEPRECIATION AND AMORTISATION :**

a) Depreciation on fixed assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended).

b) Depreciation/Amortisation on assets added, sold or discarded during the year has been provided on pro-rata basis.

c) Computer Software (Acquired) are amortised on straight line basis over a period of five years.

#### **1.5. INVESTMENTS :**

Trade Investments are the investments made for or to enhance the Company's business interest.

Investments are either classified as current or long-term based on management's intention at the time of purchase. Long-term investments are carried at cost less provisions for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investment. Current investments are carried at the lower of cost and



fair value, category wise. Cost for overseas investments comprises of the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Cost includes acquisition charges such as brokerage, fee and duties.

**1.6. INVENTORIES :**

- a) Inventories (other than by-products) are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories. The cost of Inventories is computed on a weighted average basis.
- b) Assets identified and technically evaluated as obsolete and held for disposal are valued at their estimated net realisable value.
- c) By products are valued at net realisable value.

**1.7. REVENUE RECOGNITION :**

- a) Sale of Goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration, net of discounts.
- b) Gross Turnover includes excise duty but excludes sales tax / value added tax.
- c) Dividend Income is recognised when the Company's right to receive dividend is established.
- d) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.
- e) All Other Income is accounted for on accrual basis.

**1.8. EXPENSES :**

All expenses are accounted for on an accrual basis.

**1.9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

- a) A provision is recognised in respect of obligations where, based on the evidence available, its existence at the date of the Balance Sheet date is considered probable.
- b) A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.
- c) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.
- d) Reimbursement expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imburement will be received.
- e) A Contingent Asset is not recognised in the accounts.

**1.10. IMPAIRMENT OF ASSETS :**

Impairment loss, if any, is recognised to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment Losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

**1.11. FOREIGN CURRENCY TRANSACTION :**

- a) Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out.



- b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

- c) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference. The premium or discount on forward exchange contracts is recognised over the period of the respective contract.
- d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Statement of Profit and Loss.

**1.12. BORROWING COSTS :**

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**1.13. INSURANCE CLAIM :**

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**1.14. EMPLOYEE BENEFITS :**

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services. The expense is recognised at the present value of the amount payable as per actuarial valuations. However, funding of gratuity and leave encashment benefit on actual valuation has not been made. Actuarial gains and losses in respect of such benefits are recognised in the Statement of Profit and Loss.

**1.15. TAXES ON INCOME :**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**1.16. EARNINGS PER SHARE :**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Currency : Indian Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>NOTE - 2</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
Equity Shares of par value of Rs. 10/- each	15,00,000	1,50,00,000	15,00,000	1,50,00,000
9.50% Redeemable Cumulative Preference Shares of par value Rs. 100/- each	50,000	50,00,000	50,000	50,00,000
		<b>2,00,00,000</b>		<b>2,00,00,000</b>
<b>Issued, Subscribed and Paid Up</b>				
Equity Shares of par value of Rs. 10/- each fully paid up	5,33,950	53,39,500	5,33,950	53,39,500
9.50% Non-Convertible Cumulative Redeemable Preference Shares of par value of Rs. 100/- each fully paid up	—	—	40,000	40,00,000
<b>Total</b>		<b>53,39,500</b>		<b>93,39,500</b>

### Notes:

- 2.1 The Company has redeemed 35000, 9.50% Non Convertible Cumulative Redeemable Preference Shares of par value of Rs. 100/- each aggregating to Rs. 35,00,000/- during the year.
- 2.2 The Company has transferred 5000, 9.50% Non-Convertible Cumulative Redeemable Preference Shares of par value of Rs. 100/- each aggregating to Rs. 5,00,000/- to Preference Shares Payable Account during the year as the concerned preference share holder has not come forward to avail redemption of the said preference shares even after a Notice dated 8th February, 2013 for the same has been issued to it by the Company (Refer Note 7 - Other Current Liabilities).
- 2.3 The reconciliation of the number and amount of shares outstanding at the beginning and at the end of the reporting year is as set out below

PARTICULARS	As at 31st March, 2013				As at 31st March, 2012			
	Equity Shares		Preference Shares		Equity Shares		Preference Shares	
	Number	Amount Rupees	Number	Amount Rupees	Number	Amount Rupees	Number	Amount Rupees
Shares outstanding at the beginning of the year	5,33,950	53,39,500	40,000	40,00,000	5,33,950	53,39,500	40,000	40,00,000
Shares issued during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Shares redeemed during the year	NIL	NIL	35,000	3,50,000	NIL	NIL	NIL	NIL
Shares transferred as payable during the year	NIL	NIL	5,000	5,00,000	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	5,33,950	53,39,500	NIL	NIL	5,33,950	53,39,500	40,000	40,00,000

### 2.4 Terms / Rights attached to Equity Shares

- i) The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of a equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time. The Company has declared dividend for the year but no dividend was declared for the previous year ended 31st March, 2012.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Currency : Indian Rupees)

### NOTE - 2 (Contd...)

#### SHARE CAPITAL

2.5 The details of share holders holding more than 5% of the equity shares of the Company are as below

NAME OF THE SHAREHOLDER	As at 31st March, 2013		As at 31st March, 2012	
	No. of Share held	% of Holding	No. of Share Held	% of Holding
Life Insurance Corporation of India	50,000	9.36%	50,000	9.36%
Sparkk Organics Private Ltd	1,74,400	32.66%	1,74,200	32.62%
Kanvai Investment Co. Private Ltd	33,200	6.22%	33,200	6.22%
New India Exports Private Ltd	58,450	10.95%	58,450	10.95%
Shri. Arvind K. Kanoria	56,187	10.52%	—	—
Smt. Aruna Kanoria	—	—	70,775	13.26%

	As at 31st March, 2013		As at 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 3</b>				
<b>RESERVE &amp; SURPLUS</b>				
(a) Capital Reserve				
Balance as per last account	72,938		72,938	
Add: Capital Receipt during the Year (Refer Note -28.2)	16,69,55,076		—	
	<u>16,70,28,014</u>		<u>72,938</u>	
Less: Transfer to Capital Redemption Reserve 35000 9.50% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each	35,00,000		—	
Less: Transfer to Capital Redemption Reserve 5000 9.50% Nonconvertible Cumulative Redeemable Preference Shares of Rs,100/- each	5,00,000		—	
Less: Premium on Redemption of 35000, 9.50% Non-Convertible Cumulative Redeemption Preference Shares of Rs.100 each	10,50,01,287		—	
	<u>10,90,01,287</u>	5,80,26,727	—	72,938
(b) Capital Redemption Reserve				
Balance as per last account	—		—	
Add: Transfer From Capital Reserve 35000 9.50% Non Convertible Cumulative Redeemable Preference Shares of Rs,100/- each	35,00,000		—	
Add: Transfer From Capital Reserve 5000 9.50% Non Convertible Cumulative Redeemable Preference Shares of Rs,100/- each	5,00,000	40,00,000	—	—
(c) Security Premium Reserve				
Balance as per last account	5,60,00,000		5,60,00,000	
Less: Premium on Redemption of 35000, 9.50% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100 each to the extent of the Balance in the Account	5,60,00,000	—	—	5,60,00,000



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 3 (Contd...)</b>				
<b>RESERVE &amp; SURPLUS</b>				
(d) General Reserve				
Balance as per last account	67,40,247		67,40,247	
Add: Transfer from Surplus in Statement of Profit & Loss	1,25,00,000	1,92,40,247	—	67,40,247
(e) Surplus in Statement of Profit & Loss				
Balance as per last account	(10,86,91,429)		(10,08,56,203)	
Add: Profit /Loss for the Year	11,49,81,153		(78,35,226)	
	62,89,724		(10,86,91,429)	
Less: Appropriation :				
Dividend on 35,000, 9.50% Non Convertible Cumulative Redeemable Preference Shares for earlier years	28,01,095		—	
Dividend on 35,000, 9.50% Cumulative Redeemable Preference Shares for the Year	1,38,450		—	
Corporate Dividend Tax on Preference Shares	4,76,870		—	
Proposed Dividend on Equity Shares	53,39,500		—	
Corporate Proposed Dividend Tax on Equity Shares	9,07,448		—	
Transfer to General Reserve	1,25,00,000		—	
	2,21,63,363	(1,58,73,639)	—	(10,86,91,429)
<b>Balance as on Balance Sheet Date</b>		<b>6,53,93,335</b>		<b>(4,58,78,244)</b>

**Note:**

35,000, 9.50% Non Convertible Cumulative Redeemable Preference Shares (CRPS) of Rs.100.00 each issued at a premium of Rs.1,600.00 per CRPS, that is, at a total issue price Rs.1,700.00 per CRPS in three tranches viz 30th September, 2003, 31st March, 2004 and 30th August, 2004, have been redeemed during the year at a premium of Rs. 4,600.00 per CRPS in pursuance to a resolution passed by the shareholders through postal ballot and same has been taken on record on 31st August, 2012.

	As at 31st March, 2013		As at 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 4</b>				
<b>LONG TERM PROVISION</b>				
Provision for Non Current Gratuity		7,99,502		5,26,507
<b>Total</b>		<b>7,99,502</b>		<b>5,26,507</b>
<b>NOTE - 5</b>				
<b>SHORT TERM BORROWINGS</b>				
Unsecured				
Others		—		2,69,86,966
<b>Total</b>		<b>—</b>		<b>2,69,86,966</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 6</b>				
<b>TRADE PAYABLES</b>				
Total outstanding dues to Micro, Small and Medium Enterprises		—		—
Total outstanding dues to other than Micro, Small and Medium Enterprises		22,78,151		24,36,224
<b>Total</b>		<b>22,78,151</b>		<b>24,36,224</b>
<b>NOTE - 7</b>				
<b>OTHERS CURRENT LIABILITIES</b>				
Statutory Liabilities		1,29,605		20,57,782
Others Payables				
9.5% Non-Convertible Cumulative Redeemable Preference Shares Payable (Refer Note 2.2 - Share Capital)	5,00,000		—	
Advance against grant of Development Rights	—		2,60,63,220	
BWR Employees Co-operative Society	—		61,675	
Deposits	—		485	
Outstanding Expenses	2,06,757		34,21,275	
Outstanding Employees Salary & Other Benefits	4,24,038		2,40,794	
Gratuity Payable	—		10,49,606	
Outstanding Salaries & Wages	—		609	
Stale Cheques	—		64,974	
Unclaimed Salary/Wages & Gratuity	—		26,11,092	
Rent Payable	6,022		9,72,985	
Interest Payable	—	11,36,817	33,18,768	3,78,05,483
<b>Total</b>		<b>12,66,422</b>		<b>3,98,63,265</b>
<b>NOTE - 8</b>				
<b>SHORT TERM PROVISIONS</b>				
Provision for Gratuity		88,834		58,501
Provision for Leave Salary		3,38,483		1,98,365
Provision for Proposed Dividend on Equity Shares	53,39,500		—	
Provision for Tax on Proposed Dividend on Equity Shares	9,07,448	62,46,948	—	—
Provision for Income Tax	2,11,00,000		—	
Less: Income Tax Advance	1,96,14,296	14,85,704	—	—
<b>Total</b>		<b>81,59,969</b>		<b>2,56,866</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

**NOTE - 9  
FIXED ASSETS**

Description	Gross Block At Cost			Depreciation			Net Block	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Tangible Assets</b>								
Freehold Land & Site Development	7,44,182	—	7,44,182	—	—	—	—	7,44,182
Well	45,000	—	45,000	209	3,670	27,742	—	21,137
Buildings & Roads	37,39,775	—	37,39,775	36,37,169	1,02,606	37,39,775	—	1,02,606
Plant & Machinery	1,26,73,594	—	1,26,73,594	1,26,33,124	40,470	1,26,73,594	—	40,470
Scales & Weighbridges	99,652	—	99,652	99,650	2	99,652	—	2
Workshop Machinery & Equipment	1,21,120	—	1,21,120	1,13,031	8,089	1,21,120	—	8,089
Electrical Installations	16,21,229	—	16,21,229	16,21,229	—	16,21,229	—	—
Water Supply Installation	71,045	—	71,045	71,045	—	71,045	—	—
Air Conditioners Refrigerators, Furniture & Office Equipment	7,42,726	—	7,42,726	7,42,726	—	7,42,726	—	—
Office Premises	—	1,05,55,600	—	1,05,55,600	—	—	1,05,119	1,04,50,481
<b>Total</b>	1,98,58,323	1,05,55,600	1,98,58,323	1,89,41,837	1,05,328	1,90,96,883	1,05,119	1,04,50,481
Capital Work in Progress (Plant & Machinery)	1,50,000	—	1,50,000	—	—	—	—	1,50,000
<b>Grand Total :</b>	2,00,08,323	1,05,55,600	2,00,08,323	1,89,41,837	1,05,328	1,90,96,883	1,05,119	1,04,50,481
Figures for the Previous Year	2,00,08,323	—	2,00,08,323	1,89,41,837	—	1,89,41,837	—	10,66,486

NOTE: Unprovided depreciation for the years from 2007-2008 to 2011-2012 has been provided during the year.





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 10</b>				
<b>NON CURRENT INVESTMENTS</b>				
Other Investments				
Unquoted (value at cost unless stated otherwise)				
Investment in Equity Investment				
8 Fully Paid Equity Shares of Rs. 100/- each of		—		—
United Wire Ropes Limited		—		255
<b>Total</b>		<b>—</b>		<b>255</b>

**NOTE - 11**

**OTHER NON CURRENT ASSETS**

(unsecured considered good unless stated otherwise)

Deposits with Government Departments, Bodies & Others	1,76,660		1,46,660	
Less : Provision for Doubtful Debts	1,45,660	31,000	1,45,660	1,000
Payment of Income Tax Against Disputed Liabilities		21,59,608		21,59,608
Advance against Income Tax		464		498
Balance With Collector of Excise in Current Account		—		66,796
Deposit with Office Premises Society		16,10,219		
Excise Duty Paid on Finished Goods in Hand		—		1,23,139
Sales Tax Recoverable	2,88,897		2,88,897	
Less : Provision for Doubtful Debts	9,734	2,79,163	9,734	2,79,163
Outstanding Recoverable	51,870		51,870	
Less: Provision for Doubtful Debts	51,870	—	51,870	—
MAT Credit Entitlement		2,08,75,770		—
<b>Total</b>		<b>2,49,56,224</b>		<b>26,30,204</b>

**NOTE - 12**

**CURRENT INVESTMENTS**

Current Investment

(value at lower of cost or fair value unless stated otherwise)

Investment in Mutual Funds

ICICI Prudential Mutual Fund				
Ultra Short Term Direct Plan Daily Dividend				
(34,81,285.521 units of face value Rs.10/- each)	3,52,22,258	—	—	—
Liquid Plan Daily Dividend				
(10,461.684 units of face value of Rs.100/- each)	10,46,405	3,62,68,663	—	—
<b>Total</b>		<b>3,62,68,663</b>		<b>—</b>
Aggregate market Value of Investments		3,62,68,663		—



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 13</b>				
<b>INVENTORIES</b>				
(valued at lower of cost or net realisation value, unless stated otherwise)				
Raw Materials	—	—	—	41,28,272
Work in Progress	—	—	—	62,64,496
Wire Ropes	—	—	19,95,356	—
Furniture	—	—	1,50,84,812	1,70,80,168
Stock of				
Stores & Spares	—	—	17,81,962	—
Tools & Dies	—	—	1,21,188	19,03,150
Stock of Scrap (at realizable value)	—	—	—	46,514
<b>Total</b>				<b>2,94,22,600</b>
<b>NOTE - 14</b>				
<b>TRADE RECEIVABLES</b>				
(unsecured, considered good unless stated otherwise)				
Trade Receivable Outstanding for the period Exceeding six months from due date	20,98,268	—	20,67,329	—
Less : Provision for Doubtful Debts	20,67,329	30,939	20,67,329	—
Other Trade Receivables	—	—	—	—
<b>Total</b>		<b>30,939</b>		<b>—</b>
<b>NOTE - 15</b>				
<b>CASH AND BANK BALANCES</b>				
Cash and Cash Equivalents				
Cash in Hand		13,827		8,374
Balance with Bank				
Current Account	61,349	—	62,967	—
Fixed Deposit with Bank	1,94,956	2,56,305	1,79,530	2,42,497
<b>Total</b>		<b>2,70,132</b>		<b>2,50,871</b>
<b>NOTE - 16</b>				
<b>SHORT TERM LOANS &amp; ADVANCES</b>				
(unsecured, considered good unless stated otherwise)				
Loans & Advances to Staff		50,000		87,000
Advance Against Purchase of Goods & Expenses		6,200		73,097
Prepaid Expenses		728		571
Loan to New India Exports Private Ltd		96,55,000		—
Interest Receivable		15,48,512		—
<b>Total</b>		<b>1,12,60,440</b>		<b>1,60,668</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 17.</b>				
<b>REVENUE FROM OPERATIONS (GROSS) :</b>				
Sale of Goods (Gross)				
Sale of Furniture	1,12,50,468		56,13,413	
Sale of Wire Rope	47,61,905		—	
	<u>1,60,12,373</u>		<u>—</u>	
Less: Excise Duty and Other Taxes	5,23,827		—	
Net Sale of Goods		<u>1,54,88,546</u>		<u>56,13,413</u>
<b>Total Revenue from Operations (Net)</b>		<u>1,54,88,546</u>		<u>56,13,413</u>
<b>NOTE - 18</b>				
<b>OTHER INCOME</b>				
Interest Income				
On Fixed Deposits	14,22,044		15,370	
Other Interest Income	17,20,569	31,42,613	31	15,401
Income from Dividend from Mutual Fund		7,68,663		—
Profit on Sale of Buildings		17,258		—
Sundry Balances Written Back (Net)		47,61,283		—
Miscellaneous Receipts		29,018		—
<b>Total</b>		<u>87,18,835</u>		<u>15,401</u>
<b>NOTE - 19</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Raw Materials		46,35,291		36,39,248
Other Materials		3,28,342		16,54,877
<b>Total</b>		<u>49,63,633</u>		<u>52,94,125</u>
<b>NOTE - 20</b>				
<b>CHANGES IN INVENTORY OF FINISHED GOODS STOCK IN PROGRESS AND STOCK IN TRADE</b>				
Inventory at Commencement				
Finished Goods/Stock in Trade/Stock in Process		2,33,91,177		1,96,78,677
Less : Inventory at Close		—		2,33,91,177
Finished Goods/Stock in Trade/Stock in Process		—		—
<b>Total</b>		<u>2,33,91,177</u>		<u>(37,12,500)</u>
<b>NOTE - 21</b>				
<b>LABOUR CHARGES</b>				
Job Work Charges		3,380		1,29,823
Labour Charges		7,88,600		24,01,410
<b>Total</b>		<u>7,91,980</u>		<u>25,31,233</u>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 22</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
Salaries, Bonus, Leave Salary and HRA		24,99,158		17,82,288
Provision for Gratuity		3,03,328		72,768
Provision for Leave Salary		1,40,118		52,367
Employer's Contribution to Provident Fund & Family Pension Fund (including inspection & administration charges)		1,39,880		1,04,816
Workmen & Staff Welfare Expenses		28,870		10,704
<b>Total</b>		<b>31,11,354</b>		<b>20,22,943</b>
<b>NOTE - 23</b>				
<b>FINANCE COST</b>				
Interest Expenses		14,10,526		37,60,980
Other Borrowing Cost - Bank Charges		47,516		2,599
<b>Total</b>		<b>14,58,042</b>		<b>37,63,579</b>
<b>NOTE - 24</b>				
<b>DEPRECIATION</b>				
Depreciation for the Year		1,05,328		—
Depreciation for the earlier years		1,54,837		—
<b>Total</b>		<b>2,60,165</b>		<b>—</b>
<b>NOTE - 25</b>				
<b>OTHER EXPENSES</b>				
Insurance		24,000		29,781
Rates & Taxes		—		3,63,752
Travelling & Conveyance		1,18,888		1,90,061
Legal & Professional Fees		18,88,510		16,46,758
Miscellaneous Expenses		3,29,389		5,48,488
Auditor's Remuneration				
Audit Fees	28,090		16,854	
Tax Audit Fees	16,854		—	
Others	4,109	49,053	3,612	20,466
Rent		1,40,476		6,50,436
Professional Tax		2,500		2,500
Electricity Charges		3,35,264		1,82,355
Expenses pertaining to Previous Year		—		1,500
Maintenance Charges		2,83,541		—
Service Tax		80,035		—
Office Repairs		3,17,118		—
Sundry Balance Short/ Excess Written off		—		(71,437)
<b>Total</b>		<b>35,68,774</b>		<b>35,64,660</b>



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Currency : Indian Rupees)

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE - 26</b>				
<b>EXCEPTIONAL INCOME</b>				
Profit on Sale of Land (Refer Note - 28.2)		11,37,26,030		—
Profit on Sale of Buildings		49,65,485		—
Profit on Sale of Plant & Machinery and Others		1,17,54,762		—
<b>Total</b>		<b>13,04,46,277</b>		<b>—</b>
<b>NOTE - 27</b>				
<b>EARNINGS PER SHARE (EPS)</b>				
Net Profit/(Loss) after Tax as per Statement of Profit & Loss attributable to Equity Share Holders		11,49,81,153		(78,35,226)
Less : Preference Shares Dividend for the year		1,38,450		—
<b>Total</b>		<b>11,48,42,703</b>		<b>(78,35,226)</b>
Weighted Average Number of Equity Shares used as denominator for calculating EPS		5,33,950		5,33,950
Basic and Diluted Earning per Share (Rupees)		215.08		(14.67)
Face Value per Equity Share (Rupees)		10		10

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Currency : Indian Rupees)

### NOTE - 28

#### NOTES ON ACCOUNTS

28.1. Contingent Liabilities not provided for in respect of:

- (a) Bank Guarantees outstanding Rs.1,07,000/- (previous year Rs. 1,07,000/-) against which fixed deposit receipts of Rs.1,94,956/- (previous year Rs.1,79,530/-) pledged with a bank.
- (b) Income Tax demand of Rs.32,64,089/- (previous year Rs. 32,64,089/-) for the Assessment Year 1988-89 has been disputed by the Company and an appeal against the same is pending before the Hon'ble Bombay High Court. The Company has deposited Rs.21,59,608/- (previous year Rs. 21,59,608/-) against the said demand.
- (c) Arrears of Dividend of Rs.14,72,500/- upto 31st March, 2012 on 5,000 9.5% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100/- each in view that the concerned preference shareholder has not come forward to avail redemption of the said preference shares even after notice dated 8th February, 2013 for the same has been issued to it by the Company.

28.2. The Company had land admeasuring 1,55,697.91 sq. mtrs. in its factory at Kolshet Road, Thane. Out of the same, 1,30,632.98 sq. mtrs. was transferred in the year 1988 to M/s. Warden Synplast Private Limited ("WSPL"). Disputes thereafter arose between the Company and WSPL. Subsequently, the Company and WSPL entered into a Development Agreement on 29th December, 2005 with M/s. Runwal Constructions ("RC") in terms of which the entire property, including the Company's balance land of 25,064.93 sq. mtrs., was given to RC for development and sale of the land. A Power of Attorney was executed by the Company and WSPL in favour of RC. The Development Agreement was registered on 28th June, 2006. Disputes thereafter arose between the Company and WSPL on one hand and RC on the other which led to arbitration proceedings in which the consideration payable to the Company was increased by an order dated 13th July, 2012 of the Hon'ble Bombay High Court and the matter has been closed in the current year.

In view of the above and based on legal advice, consideration amounting Rs.11,37,26,030/- attributable to the balance 25,064.93 sq. mtrs. has been adjusted against the carrying cost of the corresponding asset in the books and the surplus is credited to the Statement of Profit & Loss under "Exceptional Income" (refer Note 26 - Exceptional Income). The balance additional consideration amounting to Rs.16,69,55,076/- attributable to 1,30,632.98 sq. mtrs., being a capital receipt, has been credited directly to Capital Reserve (refer Note 3(a) - Reserve & Surplus).

28.3. The Capital Reserve amount has been transferred in part during the year towards creation of Capital Redemption Reserve on Redemption of Non-Convertible Cumulative Redeemable Preference Shares.

28.4. There are no dues outstanding to any micro, small and medium enterprises.

28.5. Related parties disclosures as per AS 18 are given below :

- a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below. There were no amounts written off or written back from such parties during the year.

The related parties included in the various categories above where transactions have taken place are given below:

Particulars	Associate		Key Managerial Personal	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
	Rupees	Rupees	Rupees	Rupees
Remuneration Loan	- 14,00,728	- -	5,91,500 -	4,95,500 -

b.

S. No.	Relation	Name of Related Party
1	Associate	Sparkk Organics Pvt. Ltd.
2	Key Management Personnel	Shri M. K. Chakraborty



## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **28.6. Employee Benefits**

As per Accounting Standard - 15 "Employees Benefits", the disclosure of Employees Benefits as defined in the Accounting Standards are given as below :

**a) Defined Contribution Plan**

The Company makes contribution at a specified percentage of its payroll cost towards the Employees Provident Fund (EPF) for qualifying employees.

The Company has recognised Rs. 1,39,880/- (Previous Year Rs.1,04,816/-) towards provident fund contribution in the Statement of Profit and Loss.

**b) Defined Benefit Plans**

The Company provides annual contributions as a non-funded defined benefit plan for qualifying employees.

The gratuity scheme provides for payment to vested employees as under :

**i) On normal retirement / early retirement /withdrawal / resignation :**

As per the provisions of Payment of the Gratuity Act, 1972 with a vesting period of 5 years of service.

**ii) On death while in service :**

As per the provisions of the Payment of the Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out at 31st March, 2013 by an Actuary using the Projected Unit Credit Method.

The following table sets out the amounts recognised in the Company's financial statements and the status of the gratuity plan as at 31st March, 2013 :

Sr. No.	Particulars	Gratuity (Non-Funded)		Leave Encashment (Non-Funded)		Provident Fund (Funded)	
		As at 31st March		As at 31st March		As at 31st March	
		2013	2012	2013	2012	2013	2012
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
I	Reconciliation of Defined Benefit Obligation (DBO) :						
	DBO at the beginning of the year	5,85,008	5,12,240	1,98,365	1,45,998		
	Current Service Cost	1,22,773	72,032				
	Interest Cost	46,801	40,979				
	Actuarial (Gain)/Losses	1,33,754	(40,243)				
	Benefits paid	-				1,39,880	1,04,816
	DBO at the end of the year (Net liability recognised in the Balance Sheet)	8,88,336	5,85,008	3,38,483	1,98,365		
II	Net Cost for the year ended 31st March, 2013 :						
	Current Service Cost	1,22,773	72,032				
	Interest Cost	46,801	40,979				
	Actuarial (Gain)/Losses	1,33,754	(40,243)				
	Net Cost	3,03,328	72,768				
III	Assumptions used in accounting for the Gratuity plan :						
	Discount Rate (%)	8.00%	8.00%				
	Salary Escalation Rate (%)	7.00%	7.00%				

## NOTES FORMING PART OF FINANCIAL STATEMENTS

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

### 28.7. Consumption of Raw Materials, Stores, Spare Parts and Packing Materials :

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	% of Total Consumption	Value Rupees	% of Total Consumption	Value Rupees
(a) Raw Material				
(i) Imported at landed Cost	Nil	Nil	Nil	Nil
(ii) Indigenous	100	5,07,019	100	36,39,248
		<u>5,07,019</u>	100	<u>36,39,248</u>
(b) Other Material				
(i) Imported at Landed Cost	Nil	Nil	Nil	Nil
(ii) Indigenous	100	3,28,342	100	16,54,877
		<u>3,28,342</u>	100	<u>16,54,877</u>
(c) Expenditure in Foreign Currency on Travelling		Nil		Nil
(d) CIF Value of Imports		Nil		Nil
(e) Earnings in Foreign Exchange		Nil		Nil

### 28.8. Discontinued Operations

A) On 1st September, 2006 the Board of Directors resolved closure of the "Wire Rope Division" which was in the business of manufacturing steel wire and wire ropes. The said division was closed on 1st November 2006. Subsequent to the initial event of the closure, significant change has taken place in the amount or timing of cash flows relating to assets and liabilities as the same have been disposed off and settled during the year. The following statement shows the revenue and expenses and assets and liabilities of continuing and discontinuing operations:

The comparative information as per Accounting Standard 24 based on the books of accounts are as under:

	Continuing Operations		Discontinuing Operations		Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Sales from Operations	1,12,50,468	56,13,413	42,38,078	-	1,54,88,546	56,13,413
Other Income	39,11,276	15,401	13,54,52,883	-	13,93,64,159	15,401
Total Income	1,51,61,744	56,28,814	13,96,90,961	-	15,48,52,705	56,28,814
Total Expenditure	2,30,66,932	1,18,78,065	1,65,80,390	15,84,475	3,96,47,322	1,34,62,540
Profit Before Exceptional Items	(79,05,188)	(62,49,251)	12,31,10,571	(15,84,475)	11,52,05,383	(78,33,726)
Profit/(Loss) Before Tax	(79,05,188)	(62,49,251)	12,31,10,571	(15,84,475)	11,52,05,383	(78,33,726)
Provision/(Credit) for Taxation /FBT	-	-	(2,11,00,000)	-	(2,11,00,000)	-
MAT Credit Entitlement	-	-	2,08,75,770	-	2,08,75,770	-
Excess Provision of earlier years written back	-	(1,500)	-	-	-	(1,500)
Profit or Loss from Operating Activities After Tax	(79,05,188)	(62,50,751)	12,28,86,341	(15,84,475)	11,49,81,153	(78,35,226)
Assets	7,05,95,851	1,57,75,514	21,90,547	1,66,88,829	7,27,86,398	3,24,64,343
Liabilities	1,12,34,044	84,39,433	12,70,000	3,46,43,429	1,25,04,044	4,30,82,862
Net Current Assets	5,93,61,807	73,36,081	9,20,547	(1,79,54,600)	6,02,82,354	(1,06,18,519)





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

- B) Fixed Assets relating to discontinued operations which were withdrawn from active use and were held for disposal have been sold during the year.

The comparative information as per Accounting Standard 24 based on Unit wise books of accounts are as under:

	Continuing Operations		Discontinued Operations		Total	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As. at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Liabilities</b>						
Loan	—	2,69,86,966	—	—	—	2,69,86,966
Deferred Tax Liability (Net)	—	—	—	—	—	—
	—	2,69,86,966	—	—	—	2,69,86,966
<b>Assets</b>						
<b>FIXED ASSETS :</b>						
Gross Block	1,05,55,600	—	—	1,98,58,323	1,05,55,600	1,98,58,323
Less : Impairment	1,05,119	—	—	1,89,41,837	1,05,119	1,89,41,837
Net Block	1,04,50,481	—	—	9,16,486	1,04,50,481	9,16,486
Capital Work-in-Progress (Including Advance for Capital Expenditure)	—	—	—	1,50,000	—	1,50,000
	1,04,50,981	—	—	10,66,486	—	10,66,486
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>						
Current Investment	3,62,68,663	—	—	—	3,62,68,663	—
Inventories	—	1,50,84,812	—	1,43,37,788	—	2,94,22,600
Sundry Debtors	—	—	30939	—	30,939	—
Cash and Bank Balance	2,70,132	2,50,871	—	—	2,70,132	2,50,871
Loans and Advances	3,40,57,056	4,39,831	21,59,608	23,51,041	3,62,16,664	27,90,872
Total Current Assets	7,05,95,851	1,57,75,514	21,90,547	1,66,88,829	7,27,86,398	3,24,64,343
Less : Current Liabilities and Provisions						
Current Liabilities	22,74,573	76,56,060	12,70,000	3,46,43,429	35,44,573	4,22,99,489
Provisions	89,59,471	7,83,373	—	—	89,59,471	7,83,373
	1,12,34,044	84,39,433	12,70,000	3,46,43,429	1,25,04,044	4,30,82,862
<b>NET CURRENT ASSETS</b>	<b>5,93,61,807</b>	<b>73,36,081</b>	<b>9,20,547</b>	<b>(1,79,54,600)</b>	<b>6,02,82,354</b>	<b>(1,06,18,519)</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**C) From the Statement of Profit and Loss**

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Continued Operation	Discontinued Operation	Continued Operation	Discontinued Operation
	Rupees	Rupees	Rupees	Rupees
Profit before Tax	(79,05,188)	12,31,10,571	(62,50,751)	(15,84,475)
Profit from Continuing Operations Before Tax	(79,05,188)	—	(62,50,751)	—
Provision / (Credit) for tax	—	—	—	—
Current Tax	—	—	—	—
Deferred Tax	—	—	—	—
Excess Provision of Earlier Years Written Back	—	—	—	—
Profit from Continuing Operations After Tax (a)	(79,05,188)	—	(62,50,751)	—
Profit/(loss) from Discontinued Operations Before Tax	—	12,31,10,571	—	(15,84,475)
Provision / (Credit) for tax	—	(2,11,00,000)	—	—
Current Tax (FBT)	—	—	—	—
MAT Credit Entitlement	—	2,08,75,770	—	—
Deferred Tax	—	—	—	—
Profit from Discontinued Operations after Tax (b)	—	12,28,86,341	—	(15,84,475)
Profit After Tax [a + b]	—	11,49,81,153	—	(78,35,226)

**D) Discontinued Operations have been completed by disposal of discontinued business during the year.**

28.9. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

As per our report of even date  
For SINGHI & COMPANY  
CHARTERED ACCOUNTANTS  
F.R. No. 110283 W

Praveen Kumar Singhi  
Partner  
Membership No. 051471

Place : Mumbai  
Date : 23rd September, 2013

Signature to Note 1 to 28  
For and on behalf of the Board of Directors

Raj Kumar Jhunjhunwala  
Director

Dr. Anurag Kanoria  
Director

Place : Mumbai  
Date : 23rd September, 2013


# BOMBAY WIRE ROPES LIMITED

Registered Office: 401/405, Jolly Bhavan No. 1, 10 New Marine Lines, Mumbai - 400 020.

## PROXY-FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

 in the district of \_\_\_\_\_ being a member/members  
of BOMBAY WIRE ROPES LIMITED hereby appoint \_\_\_\_\_

of \_\_\_\_\_

in the district of \_\_\_\_\_

or failing him \_\_\_\_\_

in the district of \_\_\_\_\_

as my/our proxy to vote on my/ our behalf at the 52nd Annual General Meeting of the Company to be held on Thursday, 28th November, 2013 at 3.30 P.M.

Signed \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2013



Affixe 1 Rs.

Revenue  
Stamp

### NOTE:

The Proxy must reach the Registered Office as aforesaid of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as extra copy of the Annual Report will not be available for reasons of economy.

## ATTENDANCE SLIP

# BOMBAY WIRE ROPES LIMITED

Name of the Shareholder \_\_\_\_\_

Folio No. \_\_\_\_\_ No. of Shares \_\_\_\_\_



I hereby record my presence at the 52nd Annual General Meeting being held on Thursday, 28th November, 2013.

Signature of the Member/Proxy.

## FORM B

(Clause 31(a) of Listing Agreement)


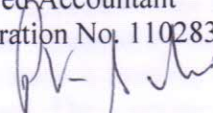
Format of covering letter of the annual audit report to be filed with the stock exchange

1	Name of the Company:	Bombay Wire Ropes Limited
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Qualified
4.	Frequency of observation	<p>' A ) Repetitive in respect of observation A) as stated in item 5 below from the financial year ended on 31<sup>st</sup> March, 1993.</p> <p>' B) Repetitive in respect of observation B) as stated in item 5 below from the financial year ended on 31<sup>st</sup> March, 2012.</p>
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the directors report.	<p><b>Observation :-</b></p> <p>Income Tax demand of Rs.32,64,089/- (previous year Rs. 32,64,089/-) for the Assessment Year 1988-89 has been disputed by the Company and an appeal against the same is pending before the Hon'ble Bombay High Court. The Company has deposited R. 21,59,608/- (previous year Rs. 21,59,608/-) against the said demand</p> <p>Refer note no 25.1(b) of Annual report ( Page 39 of Annual Report)</p> <p>Disputed demand of Municipal Corporation of Greater Mumbai towards arrears of property tax on account of revision of rateable value pertaining to earlier years, amounting to Rs.13,15,419/- has been deposited with Jolly Bhavan No. 1 Commercial Premises Co-operative Society Ltd. pending outcome of Appeal filed by the Company.</p> <p>The Company has given an undertaking/indemnity bond to Jolly Bhavan No.1, Commercial Premises Co-operative Society Ltd on 17<sup>th</sup> August, 2012, that in the event the Society is called upon by MCGM to pay the additional demand of lease rent from 14.12.2000 onwards, then this additional liability will be paid by the Company. The amount is not ascertainable.</p> <p>Refer note no 25.1(c) &amp; (d) of Annual report ( Page 39 of Annual Report)</p>
6.	Additional comments from the Board	<p>A) As per disclosures made in the Annual Report</p> <p>B) As per disclosures made in the Annual Report</p>



FOR BOMBAY WIRE ROPES LTD.

  
 DIRECTOR

7. To be signed by	
<ul style="list-style-type: none"> <li>• CEO / Managing Director</li> </ul>	<p style="text-align: right;"><b>FOR BOMBAY WIRE ROPES LTD.</b></p> <p>(R. K. Jhunjhunwala) </p> <p style="text-align: right;"><b>DIRECTOR</b></p>
<ul style="list-style-type: none"> <li>• CFO</li> </ul>	The Company does not have CFO
<ul style="list-style-type: none"> <li>• Audit Committee Chairman</li> </ul>	N.A
<ul style="list-style-type: none"> <li>• Auditor of the Company</li> </ul>	<p>For Singhi &amp; Company. Chartered Accountant (Registration No. 110283W)</p>  <p>(Praveen Kumar Singhi) Partner Membership No. 51471</p>



Additional comments from the Board

- A) As per disclosures made in the Annual Report
- B) As per disclosures made in the Annual Report



FOR BOMBAY WIRE ROPES LTD.