

# BS LIMITED



**ANNUAL REPORT 2016-2017**



## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

**Mr. Rajesh Agarwal**  
Chairman & Managing Director

**Mr. Arun Dogra**  
Whole Time Director

**Ms. Dimple Kaul**  
Independent Director

**Mr. Narayan Rao Gali**  
Independent Director

**Mr. Pochender Shanigarapu**  
Additional Director (appointed w.e.f 27.03.2017)

**Mr. Mahesh Khara**  
Independent Director (resigned w.e.f 01.01.2017)

**COMPANY SECRETARY**

**Ms. Alka Kumari**  
(Company Secretary & Compliance Officer)

**BANKERS / FINANCIAL INSTITUTIONS**

State Bank of India

State Bank of Hyderabad

State Bank of Mysore

State Bank of Travancore

State Bank of Bikaner & Jaipur

Bank of India

Bank of Maharashtra

Syndicate Bank

Punjab National Bank

United Bank of India

IFCI Venture Capital Funds Limited

IFCI Limited

Lakshmi Vilas Bank Limited

IDBI Bank Limited

**Registrar and Share Transfer Agents**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad - 500 032  
Tel: +91 40 6716 1500

**Statutory Auditors**

M/s. P. Murali & Co.  
Chartered Accountants,  
6-3-655/2/3, Somajiguda,  
Hyderabad 500 082

**Registered Office**

Sy. No.41, Majeedpalli (V), TSIC Indl. Area,  
Muppireddypally, Manoharabad Mandal,  
Medak District - 502334, Telangana State

**Corporate Office**

#304, 3<sup>rd</sup> Floor,  
Trendset Towers, Road No. 2,  
Banjara Hills, Hyderabad - 500 034,  
Telangana, India.  
Tel: +91 40 4455 8888  
investors@bsgroup.in  
www.bsgroup.in

**CONTENTS**

<b>Directors' Report.....</b>	<b>02</b>
<b>Annexures to Directors' Report .....</b>	<b>08</b>
<b>Independent Auditors' Report .....</b>	<b>29</b>
<b>Balance Sheet .....</b>	<b>33</b>
<b>Statement of Profit &amp; Loss Account.....</b>	<b>34</b>
<b>Notes on Financial Statements.....</b>	<b>43</b>
<b><u>Consolidated:</u></b>	
<b>Auditors' Report.....</b>	<b>59</b>
<b>Balance Sheet.....</b>	<b>62</b>
<b>Statement of Profit &amp; Loss Account.....</b>	<b>63</b>
<b>Notes on Financial Statements.....</b>	<b>72</b>
<b>Statement of Subsidiary Companies .....</b>	<b>87</b>



## DIRECTORS' REPORT

To  
The Members of BS Limited,

Your Directors have the pleasure of presenting their Report on the business and operations of the Company and Audited Financial Statement of Accounts for the year ended March 31, 2017.

### FINANCIAL RESULTS

The financial performance of the Company for the financial year ended on March 31, 2017 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Total Income	695.70	2408.84	2224.84	4320.66
Gross Profit	126.66	713.30	177.92	756.99
Profit Before Interest, Depreciation & Tax	-271.72	329.18	-235.62	364.58
Less:				
Interest & Financial Charges	92.13	172.60	103.42	184.62
Depreciation	51.48	64.53	57.16	70.03
Prior Year Adjustment/ Amortization	0.00	0.00	0.00	0.00
Profit Before Tax	-415.33	92.05	-396.20	109.93
Less: Provision for Taxation	-7.02	32.46	-6.54	33.91
Profit After Tax	-408.12	59.59	-389.66	76.02
Earnings per Share	-9.24	1.35	-8.82	1.72

Note: *the above figures are extracted from the audited standalone and consolidated financial statements as per Indian accounting Standards (Ind AS).*

### PERFORMANCE REVIEW

The Company continues to operate in Multiple Segments, i.e., Engineering, Procurement and Construction and Trading Business. There has been no change in the nature of business of the Company. However, Since Company's bank accounts have been put on hold, after NPA classification by the lenders since July 2016, company is not able to conduct its business on an on-going business and the same has affected the company's financial performance. There are no other material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year ('FY') and the date of this Report.

The Standalone and Consolidated Performance of the Company for the year under review were as under:

#### Standalone

- Total Revenue (excluding other Income) incurrent FY 2017 stood at Rs. 692.98 Crores as against Rs. 2399.57 Crores in previous FY 2016.
- EBIDTA in current FY 2017 is Rs. (274.24) Crores as compared with Rs. 319.91 Crores in previous FY 2016.
- Profit/Loss after Tax for the current FY 2017 was Rs. (408.12) Crores as against Rs. 59.59 Crores in previous FY 2016.

#### Consolidated

- Consolidated Total Revenue of the Company incurrent FY 2017 stood at Rs. 2219.11 Crores as against Rs. 4311.24 Crores in previous FY 2016.
- Consolidated EBIDTA in current FY 2017 is Rs. (241.34) Crores as compared with Rs. 355.16 Crores in previous FY 2016.
- Consolidated Profit/Loss after Tax stood at Rs. (389.66) Crores in current FY 2017 as against Rs. 76.02 Crores in previous FY 2016.

### REVISION OF FINANCIAL STATEMENTS

In furtherance to management's statement on the subject, your company filed an application with National Company Law Tribunal (NCLT) on 9.12.2016 (under I.R. No. 886 of 2016) for writing off bad debts / receivables pertaining to the earlier financial years viz. FY 2014-15 and FY 2015-16 and revision of its Financial Statements for the said years. The said application is pending before NCLT for its approval.

The Company informed to the exchanges on 28.11.2016 about the revision of financial statements and its implications, if any, for the benefit of all the stake holders.

The Audited Financial Statements represent the Company's financials without factoring into adjustments / changes which may be necessitated upon NCLT's approval for Company's application filed with them for revision of financial statements under Sec. 131 of The Companies Act, 2013

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year 2016-17, are prepared in compliance with applicable provisions of the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. These statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries / Joint Venture Company as approved by their respective Board of Directors.

### SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company continues to have Two Subsidiaries Overseas and there were no changes in the same during the year. Financials of Subsidiaries are disclosed in the Consolidated Financial Statements which forms part of this Annual Report. Your Company has one Joint Venture (JV) in India, which was incorporated as a Special Purpose Vehicle Company. The accounts of the said JV are consolidated with the Accounts of the Company.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 the Company has prepared consolidated financial statement of the Company which forms part of this Annual Report. Further, a statement containing salient features of Financial Statements of our subsidiaries (excluding the two subsidiaries in USA) in the prescribed format AOC-1 is appended to the financial statements of the Company.

The Financial Statements of the Subsidiary Companies and related information are available for inspection by the Members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and Public Holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. The Financial Statements including the Consolidated Financial Statements, Financial Statements of Subsidiaries and all other documents required to be attached to this Report have been uploaded on the website of the Company ([www.bslimited.in](http://www.bslimited.in)).

The Company has laid down policy on material subsidiaries and none of the subsidiaries are material subsidiary as per the Policy. The policy is placed on the website of the Company ([www.bslimited.in](http://www.bslimited.in)).

Further, Board of Directors of your Company in their meeting held on 04.02.2017 has "Approved, subject to the approval of the Shareholders, Dilution of stake / change in control in its Wholly Owned Subsidiaries, i.e., M/s. BS Global Resources Private Limited, Singapore and M/s. BS Limited FZE, Dubai, by virtue of further issue of Equity in its Subsidiaries, in favour of potential investors in order to raise further funds for its operational activities. Consequent to such allotment of Equity, BS Limited would hold less than 50% of the Shareholding in the said Subsidiaries."

#### **REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the details on the Performance and Financial Position of Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statements are as under:

##### **a) M/s. BS Global Resources Private Limited, Singapore**

M/s. BS Global Resources Private Limited ("BSGRPL") was incorporated in 2011 as a Wholly-Owned Subsidiary of the Company. Headquartered in Singapore, BSGRPL is engaged in the business of Trading of Coal, Nickel, Copper Cathode and Minerals such as Iron Ore, and is a one-point sourcing firm for Trading and Supply of Mineral Resources and Agro Products.

The Entity has lasting partnerships with major Coal Mines and Suppliers, Credible Buyers and Sellers of Mineral Resources and has an Economical Pricing Strategy with Long-Term Focus that lends it competitive advantage. It seeks to become a Significant Player in the International Minerals Trading Markets.

During the year, the said Company has reported a Turnover of Rs.913.87 Crores and a Profit before Tax and Profit after Tax stood at Rs. 8.89Crores and Rs. 8.42 Crores, respectively.

##### **b) M/s. BS Limited FZE, Dubai**

M/s. BS Limited FZE has been incorporated as a Wholly-Owned Subsidiary in compliance with the laws and regulations of Dubai Airport Free Zone Authority and has received the Certificate of Incorporation from Dubai Airport Free Zone Authority on March 06, 2014. The Principal activities of the said Subsidiary consist of "Trading in Power Transmission Materials & Coal and Providing Related Engineering Services.

During the year, the said Company has reported a Turnover of Rs. 600.31 Crores and a Profit before Tax and Profit after Tax stood at Rs. 11.01 Crores and Rs.11.01 Crores, respectively.

##### **c) M/s. Raichur Sholapur Transmission Company Private Limited**

M/s. Raichur Sholapur Transmission Company Private Limited ("RSTCPL") (formerly known as M/s. Raichur Sholapur Transmission Company Limited) has been incorporated as a Special Purpose Vehicle ("SPV") Company, in Joint Venture with M/s. Patel Engineering Limited and M/s. Simplex Infrastructures Limited. The revenue in the said BOOM project is on sharing basis and the same is spread over a period of 35 years. As on March 31, 2016, your Company holds 26,664,000 Equity Shares (33.33%) aggregating to Rs. 266,640,000/- of the Total Paid-up Share Capital of RSTCPL.

During the year, the said Company has reported a Turnover of Rs. 35.85 Crores from Transmission Service and Rs. 8.77 Crores as other income by way of interest. The Company incurred a loss of Rs. 2.92 Crores for the year ended March 31, 2017.

Information in this respect can also be referred in form AOC-1 which has been disclosed in the Consolidated Financial Statements.

#### **DIVIDEND**

With a view of company's critical financial position, your Directors have not recommended any Dividend for the Financial Year 2016-17.

#### **BUSINESS ACQUISITION**

The Board at its Meeting held on April 29, 2016, resolved to withdraw from the Business proposal as contained in the Business Transfer Agreements (BTAs) entered with respect to the Acquisition of Business /Assets of the Companies which was earlier approved by the Board of Directors at its Meeting held on May 20, 2015.

#### **SHARE CAPITAL**

During the year under review, the Company had issued 5,69,920 Equity Shares (including 2,84,960 Bonus Equity Shares) of Re. 1/- each, upon Exercise of Options by the Grantees under the Employee Stock Option Plan 2011. Consequent thereto, the Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2017 was Rs. 441,683,580/- divided into 441,683,580 Equity Shares of Re. 1/- each, fully paid-up.

Subsequent upon occurrence of default in repayment of loan amount & interest thereon, IFCI Limited & IFCI Venture Capital Funds Limited have sold the pledged shares which affect (decrease) the shareholding of the Promoter.

Since business acquisition plan of the company was dropped as already stated above in Business Acquisition, Company has withdrawn its application for In-principle approval, in terms of Clause 24(a) of the Erstwhile Listing Agreement, with respect to issue and allotment of 22,30,95,100 Equity Shares to Non Promoters on a Preferential Basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.

**EMPLOYEE STOCK OPTION PLAN**

During the year under review, your Company on July 26, 2016 has allotted 5,69,920 Equity Shares(including 2,84,960 Bonus Equity Shares) of Re. 1/- each to the grantees, upon exercise of 28,496 Options @ Rs. 109.95 per Share of Rs. 10/- each under the Employees Stock Option Plan 2011 ("ESOP 2011") of the Company. The said shares shall rank pari-passu with the existing Equity Shares of the Company in all respects.

*Note: The Company, pursuant to the approval of the Shareholders dated January 10, 2014, has sub divided the Face Value of the Shares of the Company from Rs. 10/- each into Re. 1/- each with effect from January 22, 2014. Accordingly, the Option holders, upon exercise of each Option of Rs. 10/-, are issued and allotted 10 (Ten) Equity Shares of Re. 1/- each of the Company.*

The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to Employees Stock Option Plan of the Company are appended as 'Annexure –VIII' and form part of this Report.

**BANK LIMITS AND CREDIT FACILITIES**

The Company's bank accounts were considered by the JLF (Joint lenders' forum) led by State Bank of India, under S4A scheme (Scheme for Sustainable Structuring of Stressed Assets) of The Reserve Bank of India. SBI, as per scheme guidelines appointed empanelled members of the bank for conducting a Techno-Economic Viability Study and a Forensic Audit Report. After receipt of both the reports, while Forensic Audit Report was observed satisfactory (i.e., after submission of required documents / explanations by the company, wherever required), JLF members concluded that TEV study report did not recommend company's account eligible under S4A scheme, as the report observed that the company's estimated cash flows were not meeting the sustainability requirements under the scheme.

The consortium of Working Capital Banks, led by State Bank of India, has classified the Company's working capital limits and Corporate Loan limits / accounts as "Non-performing Asset" during the period under review. Similarly the Company's term lenders viz. IFCI Limited and Bank of India have classified the company's term loan accounts as "Non-performing Asset" during the period under review.

The Working Capital Banks of the company have issued notices to the company under Section 13 (2) of The SARFAESI Act. (for recovery) Company has replied to the banks in response to the said notices.

S.I. No.	Name of the bank	Date of SARFEASI Notice	Replied on
1	Punjab National Bank	04-01-2017	22-02-2017
2	United Bank of India	13-02-2017	22-02-2017
3	Bank of Maharashtra	20-02-2017	22-02-2017
4	IFCI Limited	03-03-2017	09-03-2017
5	Syndicate Bank	06-03-2017	09-03-2017
6	State Bank of India	13-03-2017	01-04-2017

**BOARD OF DIRECTORS**

During the year under review Mr. Mahesh Kumar Khhera, Director of the Company, has resigned vide his Letter dated

December 30, 2016, from the Directorship of the Company. The Board of Directors of the Company by way of a Circular Resolution passed on January 02, 2017, has noted his resignation and consented to relieve Mr. Mahesh Kumar Khhera with effect from January 01, 2017 and the Board has recorded its deep appreciation for the valuable services rendered by Mr. Mahesh Kumar Khhera during his tenure.

The Board of Directors had appointed Mr. Pochender Shanigarapu as Additional Director of the Company, in the category of Non-Executive Independent Director, in terms of Section 149(1) of the Companies Act, 2013 read with Rules prescribed thereunder, with effect from March 27, 2017, to hold Office upto the ensuing Annual General Meeting of the Company.

**ANNUAL GENERAL MEETING**

Your Company convened and held the Annual General Meeting for the financial year ended 31.3.2016 on 29.12.2016 after receiving approval from Registrar of Companies, Andhra Pradesh &Telangana granting an extension of 3 months to convene and hold the Annual General Meeting for the financial year ended 31.3.2016 till 30.12.2016.

**POSTAL BALLOT AND E-VOTING**

Your Company has informed the Exchanges that pursuant to Section 108, 110 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended, the Company will provide e-voting facility to the Shareholders to exercise their vote for transacting the business through Postal Ballot. The Company will be availing e-voting services of Mr. Y. Koteswara Rao, Practicing Company Secretary of the Company.

**CHANGE IN REGISTERED OFFICE ADDRESS**

Your Company vide Postal Ballot dated March 15, 2017 has changed its registered office from the existing address to its Plant II, situated at Sy. No.41, Majeedpalli (V), TSPIIC Indl. Area, Muppireddypally, Manoharabad Mandal, Medak 502334, Telangana State within the State of Telangana

**BOARD DIVERSITY**

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure us retain our competitive advantage. The Board has adopted the Board Diversity policy which sets out the approach to diversity of the Board of Directors.

**DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to provision of section 149(7) of the companies Act, 2013 the Company has received necessary declaration from each Independent Directors that he meets the criteria of Independence laid down in section 149(6) of the Companies Act, 2013 and Regulations 25 of SEBI (LODR) Regulations,2015.

**PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In terms of Section 134 of the Act 2013 and the Corporate Governance requirements as prescribed under the provisions of SEBI LODR Regulations, the Board had carried out

performance evaluation of its own, the Board Committees and of the Independent directors. Further, Independent Directors at a separate meeting, discussed, reviewed and evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board, after taking into consideration the views of Executive and Non-Executive Directors.

The Board discussed and assessed its own composition, size, mix of skills and experience, its Meeting Sequence, Effectiveness of Discussion, Decision Making, Follow-up Action, Quality of Information and the Performance and Reporting by the Committees, viz., Audit Committee ('AC'), Nomination and Remuneration Committee ('NRC'), Stakeholders Relationship Committee ('SRC') and Corporate Social Responsibility Committee ('CSR').

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

The performance of Individual Directors including all Independent Directors assessed against a range of criteria such as contribution to the Development of Business Strategy and Performance of the Company, understanding the major risks affecting the Company, clear direction to the Management and Contribution to the Board cohesion. The Performance Evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The Board noted that all Directors have understood the Opportunities and Risks to the Company's Strategy and are supportive of the direction articulated by the Management Team towards consistent improvement.

The Performance of each Committee was evaluated by the Board by seeking inputs from its Members on the basis of the criteria such as matters assessed against terms of reference, time spent by the Committees in considering matters, quality of information received, work of each Committee, overall effectiveness and decision making and compliance with the Corporate Governance requirements, and concluded that all the Committees continued to function effectively, with full participation by all its Members and the Members of Executive Management of the Company.

#### **FAMILIARIZATION PROGRAMME**

The Company has put in place a structured induction and Familiarization Programme for all its Directors. The Company, through such programmes, familiarizes the Independent Directors as well as any new appointee to the Board, with a brief background of the Company, individual Roles, Rights and Responsibilities in the Company, Management Structure, Company's operations and other relevant information which would enable them to effectively discharge the responsibilities and functions conferred on them. They are also informed about important Policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, etc.

The Familiarization Programme for Independent Directors in terms of provisions SEBI LODR Regulations is uploaded on the website of the Company at [www.bslimited.in](http://www.bslimited.in).

#### **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of the Company, in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force), are as under:

1. Mr. Rajesh Agarwal - Chairman & Managing Director
2. Mr. Arun Dogra - Whole-Time Director
3. Ms. Alka Kumari - Company Secretary & Compliance Officer

Apart from the changes as mentioned under the "Board of Directors" Section, there were no changes in the Office of Key Managerial Personnel during the year under review.

#### **POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS**

Your Company has been constituted a Nomination and Remuneration Committee which is empowered to nominate the number of members of the Board and various standing committees based on their different experience levels, knowledge and educational qualifications in different Sectors and discipline relating to the Company's business.

The remunerations paid to Executive Directors are in accordance with the recommendation of the Nomination & Remuneration Committee as well as by the prescribed law. Due care is also taken to ensure that the remuneration package is in consistent with the recommended best practices in the country.

#### **PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES**

The information required under Section 197(12) of the Act with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Annual Report as 'Annexure - III'.

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 forms part of this Annual Report.

#### **NUMBER OF MEETINGS OF THE BOARD**

Four meetings (29.04.2016, 27.05.2016, 14.09.2016 & 04.02.2017) of the Board were held during the financial year 2016-17, the details of which are given in the Corporate Governance Report that is annexed to this Report as 'Annexure - V'. The intervening gap between any two meetings was not only within the period prescribed by the Companies Act, 2013 but it was also in accordance with SEBI (LODR) Regulations, 2015.

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

Pursuant to the provisions contained in Section 134(3)(c) of the Companies Act, 2013 and subject to disclosures in the Annual Accounts, your Directors state as under:

- a) While preparing the annual accounts of the financial year ended on March 31, 2017, the applicable accounting standards have been followed and there are no material departures.



- b) That the Director have selected appropriate accounting policies in consultation with Statutory Auditors and applied them consistently to give a true and fair view of the state of affairs of the Company at the end of financial year under review and Profit & Loss Account of the period under report.
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Annual Accounts have been prepared on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **STATUTORY AUDITORS**

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing AGM and, being eligible, have consented and offered themselves for re-appointment as Statutory Auditors for the Financial Year 2017-18. Your Company has received written consent and a Certificate from the Auditors stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that their re-appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and Rules issued thereunder that they are not disqualified for such re-appointment under the provisions of applicable laws and also that there is no proceeding against them or any of their partners pending with respect to professional matter of conduct.

As required under provisions of SEBI LODR Regulations, the Auditors has also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate issued by the Peer Review Board of the ICAI.

The Audit Committee and the Board of Directors recommend the re-appointment of M/s. P. Murali & Co., Chartered Accountants, as the Auditors of your Company for the Financial Year 2017-18 till the conclusion of the next AGM.

Auditor's Adverse Observations and Management Response to Auditor's Adverse Observations are given in the 'Annexure - I' forming part of this Report.

#### **COST AUDITORS**

As per Section 148 of the Companies Act, 2013 read with Rules framed thereunder, M/s. Srinivas & Co., Cost Accountants, (Firm Registration No. 00278) were re-appointed as Cost Auditors for the Financial Year 2017-18 to conduct Cost Audit of the Accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration proposed to be paid to the Cost Auditors, subject to the ratification, in terms of Section 148(3) of Companies Act, 2013, by the members at the ensuing Annual General Meeting, would be Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) excluding out of pocket expenses, if any.

Your Company has received consent from M/s. Srinivas & Co., Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the Financial Year 2017-18 along with a certificate confirming their independence and arm's length relationship.

The Cost Audit Reports for the Financial Years 2016-17, issued by M/s. Srinivas & Co., Cost Auditors, in respect of the various products prescribed under Cost Audit Rules, were filed with the Ministry of Corporate Affairs ('MCA') on 10.08.2017 respectively which was within the due dates as per the requirements of applicable laws.

#### **SECRETARIAL AUDITORS**

In terms of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Y. Koteswara Rao, Practising Company Secretary (Certificate of Practice No. 7427), was appointed as Secretarial Auditor of the Company for the Financial Year 2016-17. The Secretarial Audit Report submitted by him in the prescribed Form MR-3 is attached as 'Annexure - VI' and forms part of this Report.

There are no qualifications or observations or adverse remarks of the Secretarial Auditor in the Report issued by him for the Financial Year 2016-17 which call for any explanation from the Board of Directors.

#### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on March 31, 2017 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as 'Annexure - II' to this Report.

#### **RELATED PARTY TRANSACTIONS**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Further, there were no transactions with related parties which qualify as material transactions under the SEBI Listing Regulations. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

The details of the related party transactions as per Accounting Standard 18 are set out in Note 35 to the Standalone Financial Statements forming part of this report.

The Company has also formulated a policy on Related Party Transactions as approved by the Board of Directors which has been uploaded on the website of the Company.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Pursuant to provisions of Section 186 of the Companies Act, 2013 the particulars of Loans, Guarantees and Investments are disclosed in the Financial Statement.

#### **RISK MANAGEMENT**

Risk is an integral part of business and your Company is committed to managing risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment along with the cost of treating risks, and incorporates risk treatment plans in its strategy, business and operational plans.

Your Company, through its Risk Management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors. As per the requirements of the Regulation 21 of SEBI LODR Regulations, your Company has constituted a Risk Management Committee to oversee the risk management efforts in the Company under the Chairmanship of Mr. Rajesh Agarwal, Chairman & Managing Director of the Company. The details of the Committee along with its charter are set out in the Corporate Governance Report forming part of this Report.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI LODR Regulations. The Policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the Vigil Mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules, the Company has constituted CSR committee and formulated CSR policy. The CSR Policy outlines the CSR vision of your Company based on embedded tenets of trust, fairness and care. The Policy primarily rests on four broad tenets: Healthcare, Education, Community Development and Ecology and the same is within the ambit of Schedule VII of the Act. The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out herewith as 'Annexure – VII' to this Report.

Board of Directors of the Company had decided not to spend money on CSR activities considering if the application is accepted by the NCLT then Company's profit for the said years will become negative & thus, CSR would not be applicable on us. Moreover, Company had also booked a loss in the FY ended 31.3.2017.

But, as a Good Corporate Governance, your Board of Directors had made a provision for the said year. In the event of our application rejected by NCLT then Company will spend the amount on the CSR activities.

#### **CORPORATE GOVERNANCE REPORT**

Your Directors adhere to the requirements set out under the provisions of SEBI LODR Regulations. In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance is attached herewith as 'Annexure – V'. The Chairman & Managing Director's Declaration regarding the compliance of Code of Conduct and Ethics for Board Members and Senior Management Personnel forms part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming Compliance to the conditions of Corporate Governance as stipulated under

the provisions of SEBI LODR Regulations is also forms part of this Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As stipulated under the provisions of SEBI LODR Regulations, the Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall Industry Structure, Performance and State of Affairs of the Company's various businesses, Internal Controls and their adequacy, Risk Management Systems and other material developments during the Financial Year 2016-17.

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

The Company has in place, policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been in place to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees are covered under this policy. The Company has not received any complaints during the year FY 2016-17.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control System in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

To ensure effective Internal Financial Controls the Company has laid down the following measures:

- Compliance relating to Cost Records of the Company is ensured by way of Cost Audit;
- The Internal Auditors have also been engaged for providing assistance in improvising IFC framework and deployment of Self-Assessment Tool.

#### **LISTING ON STOCK EXCHANGES**

The Equity Shares of your Company continue to remain listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing Fee for the Financial Year 2017-18 has been duly paid within the stipulated time to both the Stock Exchanges.

#### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any Deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any Statutory modification(s) or re-enactment(s) for the time being in force).

#### **TRANSFER TO RESERVES**

Your Company has not transferred any amount to the General Reserves for the Financial Year 2016-17.





## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as 'Annexure – IV' and forms part of this Report.

## SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

Apart from Company's application pending before NCLT, there are no significant/material orders passed against the Company by the Regulators, Courts or Tribunals which impact the Going Concern Status of your Company and its operations in future.

## ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to the Shareholders, Customers, Vendors, Bankers, Financials Institutions, Government Authorities, Contractors, Joint Venture Partners and all other Stakeholders for their continued support and valuable assistance and co-operation to the Company. Your Directors take this opportunity to commend the continued commitment and dedication of employees at all levels and look forward to valuable sustained support and encouragement.

For and on behalf of the Board of  
Directors

BS Limited

(Rajesh Agarwal)

Date : 10.11.2017

Place : Hyderabad

Chairman & Managing Director

## Annexure – I to the Directors' Report

### Management's Response to the various para included in Statutory Auditor's Report dated May 29, 2017 appearing under the heading of "Basis of Qualified Opinion" for the Financial Year 2016-17.

The Board of Directors refer to the Statutory Auditors' remarks in heading "Basis of Qualified Opinion" in the Auditor's Report for the financial year 2017-18 and in compliance of section 134 (4) of the Companies Act, 2013 provide its explanations as under:

- a) The Company has defaulted in repayment of dues to Banks/Financial Institutions during the current financial year. All loans outstanding were classified as NPA's by the banks during the current financial year. (Refer Note No. 29 & 31).

#### Management's Response:

There were delays in collection from customer due to which there was a mismatch in cash flow and companies account has become NPA with the banks.

- b) Provision for interest amounting to Rs. 90.90 Cr. and Rs. 10.62 Cr. on its Working Capital Loan and Term Loan respectively has not been made by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.101.52 Cr. in view of non-provision of Interest amount. (Refer Note No.29 & 31). If the accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 509.67 Crores.

#### Management's Response:

There were delays in collection from customer due to which there was a mismatch in cash flow and companies account has become NPA with the banks. As the Banks don't debit the interest in NPA accounts and hence the company has not made a provision for the same. However the company will pass the entry for interest once the accounts are settled with Banks.

- c) The Company is not regular in payment of undisputed statutory dues during the current financial year amounting

to Rs. 98,022,211 which includes TDS, TCS, Dividend Distribution Tax, Service Tax, Provident Fund, Employees State Insurance and Professional Tax.

#### Management's Response:

As explained above due to cash flow mismatch the company has faced liquidity issues and hence there were delays in payment of taxes. The management is serious in clearing these dues as early as possible at the earliest possibility looking at the cash flow situation.

- d) Since the Company has not obtained any technical/market evaluation for the inventory, we are unable to comment on the realizable value of the same, which may be lower than the amount at which it has been reflected in the balance sheet.

#### Management's Response:

Valuation of inventory is done by the management at realizable value by taking into account the current status of inventory and the management is of the opinion that valuation is not over estimated

- e) The trade receivables could not be verified as confirmation of balances has not been received. However the company has provided provision for bad and doubtful debts for the year amounting to Rs. 188.53 Crores. The realisability of the trade receivables amounting to Rs.1,250.60 Crores which are outstanding more than one year is in doubt and company has not made any provision for in respect of these receivables which includes Trade Receivables which are considered in NCLT application for the financial year 2014-2015 & 2015-2016.

#### Management's Response:

Out of Trade receivables of 1250.60 Crores, the company has approached NCLT to write off Rs. 161.21 Crores in earlier financial years by revision of financials for earlier years and for the balance amount of Rs. 1089.39 Crores, the company is reconciling the accounts with customers and is confident of recovery subject to settlements and consequential adjustments. Any other adjustments will be taken care in the next year after reconciling the accounts of these customers.

- f) In absence of technical and costing evaluation of current and non-current assets, impact of impairments, if any, on their economic value, we can't comment on the realizable value of same.

**Management's Response:**

Management has done the in house evaluation of the current assets and is of the opinion that no provision is required for impairment except of Rs. 52.82 Crores being Loans and advances given to supplier for which the company has already approached NCLT to write off the same in earlier financial years by revision of financials for earlier years

- g) This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to meet its financial obligation including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations.

**Management's Response:**

Company is confident of having the resolution with the banks which will make the Company healthy and with the infusion of necessary working capital the Company will be back on track and normal operations as before will be commenced.

- h) The Company has filed an application at Honorable National Company Law Tribunal (NCLT) Hyderabad bench, in compliance with section 131 of the Companies Act,

2013 and rules prescribed there under, seeking approval for revision of Financial Statements for the FY 2014-2015 and FY 2015-2016 to written off the outstanding trade receivables and loan & Advances given by the Company over two financial years aggregating to Rs. 110.55 Crores in the FY 2014-2015 and Rs. 103.61 Crores in the FY 2015-2016. The proceedings are pending before NCLT as on date. The company has not provided provision towards Trade receivables & Loans and advances in respect of the application made in NCLT for the financial year 2014-2015 & 2015-2016. (Refer to Note No.43)

**Management's Response:**

No comments or explanations are required as this para contains a factual statement.

- i) The company did not file the returns of Income Tax for the assessment years of 2015-16 and 2016-17 and self-assessment tax amounting to Rs. 26,79,98,355 and Rs. 35,35,45,760/- respectively were not paid and such status of payment will not hold good afterwards as due to account of application for revision of financials for these two years (F.Y.2014-15 and F.Y.2015-16) by the company under Sec. 131 of the Companies Act 2013 and which is pending for disposal with NCLT.

**Management's Response:**

No comments or explanations are required as this para contains a factual statement.

## Annexure - II to the Directors' Report

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[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

1.	CIN	:	L27109AP2004PLC042375
2.	Registration Date	:	January 07, 2004
3.	Name of the Company	:	BS Limited
4.	Category / Sub-Category of the Company	:	Public Limited Company
5.	Address of the registered office and contact details	:	Sy. No.41, Majeedpalli (V), TSIC Indl. Area, Muppireddypally, Manoharabad Mandal, Medak District – 502334, Telangana State; Tel: +91 40 4455 8888
6.	Whether listed Company	:	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Tel.: +91 40 67162222, Fax No.: +91 40 23001153, Website - www.karvy.com; Toll Free No. - 1800-345-4001

#### 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:-

S . No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Engineering, Procurement & Construction	42202	99.6


**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	BS Global Resources (P) Limited	-NA-	Wholly Owned Subsidiary	100.00	2(87)
2.	BS Limited FZE	-NA-	Wholly Owned Subsidiary	100.00	2(87)
3.	Raichur Sholapur Transmission Company (P) Limited	U40108MH2009GOI220024	Joint Venture Company	33.33	2(6)

**IV. SHARE HOLDING PATTERN : (Equity Share Capital Breakup as percentage of Total Equity)**
**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	294706773	0	294706773	66.81	228704480	0	228704480	51.78	15.03
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Bank /FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(1):</b>	294706773	0	294706773	66.81	228704480	0	228704480	51.78	15.03
<b>2. Foreign</b>									
a) NRI Individual	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Bank /FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Promoter Shareholding TOTAL (A) : (A)(1)+ (A)(2)</b>	294706773	0	294706773	66.81	228704480	0	228704480	51.78	15.03
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / FI	47055	0	47055	0.01	0	0	0	0	0.01
c. Central Govt.	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
1. Foreign portfolio Inverstors	12122988	0	12122988	2.75	0	0	0	0	2.75
2. Foreign Nationals	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1)</b>	12170043	0	0	2.76	0	0	0	0	2.76
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b) Individuals</b>									
i. Individual shareholders holding nominal share capital upto Rs. 2 lakh	20340408	200520	20540928	4.66	146535864	19229	146555093	33.18	28.52
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	42565800	0	42565800	9.65	24094813	0	24094813	5.46	4.19
<b>c) Others (specify)</b>									
i. NBFCs Registered with RBI	4854888	0	4854888	1.10	97310	0	97310	0.02	1.08
ii. Bodies Corporate	64268905	0	64268905	14.57	34141573	0	34141573	7.73	6.84
Non Resident Indians	1788870	0	1788870	0.41	6372467	0	6372467	1.44	1.03
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	217453	0	217453	0.05	1219385	0	1219385	0.28	0.23
Trusts	0	0	0	0	0	0	0	0	0
Non Resident Indian Non Repatriable	0	0	0	0	463148	0	463148	0.10	0.10
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	134036324	200520	134236844	30.43	212924560	19229	212943789	48.21	17.78
Public Shareholding TOTAL (B): (B)(1)+(B)(2)	134036324	200520	134236844	30.43	212959871	19229	212979100	48.22	17.78
Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	440913140	200520	441113660	-	441664351	19229	441683580	100	-

**b) Shareholding of Promoters**

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	
1.	Rajesh S Agrawal	278894773	63.23	44.60	228704480	51.78	54.97	11.45
2.	Reema Agrawal	15756000	3.57	Nil	Nil	Nil	Nil	3.57
3.	Dhruv Bansal	56000	0.01	Nil	Nil	Nil	Nil	0.01
	Total	294706773	66.81	44.60	228704480	51.78	54.97	15.03

\*Percentage calculated on the paid up share capital (441113660) as at beginning of the year.

# Percentage calculated on the paid up share capital (441683580) as at end of the year.

**c) Change in Promoters' Shareholding (please specify, if there is no change)**

S No.		Shareholding at the beginning 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
1.	At the beginning of the year	294706773	66.81	294706773	66.81
2.	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.): <i>Decrease in Shareholding</i>	66002293	(15.03)	228704480	51.78
3.	At the end of the year	228704480	51.78	228704480	51.78


**d) Shareholding pattern of top ten Shareholders**  
 (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		Increase / Decrease in Share holding		Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Santkumar Brijmohan Agarwal	17518689	3.97	-	(17518689)	Nil	Nil
2.	Falguni Sales Trading Agency Private Limited	7139651	1.62	-	(7139651)	Nil	Nil
3.	Quickstart Transporters Private Limited	5942092	1.35	-	(5942092)	Nil	Nil
4.	Payone Enterprises Private Limited	5388660	1.22	-	(5388660)	Nil	Nil
5.	India Opportunities Growth Fund Ltd - Pinewood Strategy	4889656	1.11	-	(4889656)	Nil	Nil
6.	Mrunmayee Tradelink Private Limited	4761216	1.08	-	(4761216)	Nil	Nil
7.	Step Inn Commercial Line Private Limited	4561170	1.03	-	(4561170)	Nil	Nil
8.	Elara Capital Plc A/C Vespera Fund Limited	4276666	0.97	-	(4276666)	Nil	Nil
9.	Reliance Capital Limited	4200000	0.95	-	(4200000)	Nil	Nil
10.	Thirteen Steps Tradelink Private Limited	4196220	0.95	-	(4196220)	Nil	Nil

**e) Shareholding of Directors and Key Managerial Personnel**

S. No.	For Each of the Directors and KMP	Shareholding at the beginning 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
1.	At the beginning of the year				
	Rajesh Agarwal	278894773	63.23	278894773	63.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): <i>Decrease in Shareholding</i>	50190293	(11.45)	228704480	51.78
2.	At the end of the year				
	Rajesh Agarwal	228704480	51.78	228704480	51.78

**V. INDEBTEDNESS**

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,144,385,795	664,409,362	-	2,808,795,157
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19,963,173	-	-	19,963,173
<b>Total (i+ii+iii)</b>	<b>2,164,348,968</b>	<b>664,409,362</b>	<b>-</b>	<b>2,828,758,330</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	589,203,059	193,041,700	-	-
Reduction	702,229,684	106,203,649	-	-
<b>Net Change</b>	<b>(113,026,625)</b>	<b>86,838,051</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,051,322,343	751,247,413	-	2,802,569,756
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,764,509	-	-	8,764,509
<b>Total (i+ii+iii)</b>	<b>2,060,086,852</b>	<b>751,247,413</b>	<b>-</b>	<b>2,811,334,265</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration				Total Amount
	Name Designation	Rajesh Agarwal MD*	Arun Dogra WTD		
1.	a) Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	12,00,000		12,00,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission: - as % of profit - others, specify	-	-		-
5.	Others, please specify	-	-		-
	Total (A)	-	12,00,000		12,00,000
	Ceiling as per the Act				

\* Didn't draw salary in financial year 2016-17.

### B. Remuneration to other Directors:

S.No.	Particulars of Remuneration				Total Amount
	Name of Directors	Dimple Kaul	Narayan Rao Gali	Mahesh Kumar khera	
1.	<b>Independent Directors</b>				
	(a) Fee for attending board / committee meetings	2,00,000	2,00,000	1,60,000	5,60,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	2,00,000	2,00,000	1,60,000	5,60,000
2.	<b>Other Non-Executive Directors</b>				
	(a) Fee for attending board / committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	2,00,000	2,00,000	1,60,000	5,60,000
	Total Managerial Remuneration	2,00,000	2,00,000	1,60,000	5,60,000

### C. Remuneration to Key Managerial Personnel other than MD/ Manager /WTD

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
			Alka Kumari		
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,82,708	-	2,82,708
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify	-	-	-	-
6.	Others, please specify	-	-	-	-
	Total	-	2,82,708	-	2,82,708

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences under the Companies Act 2013 for the year ended 31<sup>st</sup> March 2017.

**Annexure – III to the Directors' Report**
**DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS**
**A. Details pertaining to Remuneration as required under Section 197 (12) of the Companies Act, 2013 and rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

and

- The percentage increase in remuneration of each Director\*, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial Year :-

Name	Designation	% Increase of Remuneration in 2017 as compared to 2016	Ratio to median remuneration of the employees
Rajesh Agarwal**	Managing Director	(100)	Nil
Arun Dogra	Director	Nil	5.06
Alka Kumari	Company Secretary	Nil	1.24

\*Since Independent Non-Executive Directors received no remuneration, except sitting fees for attending Board / Committee meetings and commission, the required details are not applicable.

\*\*Didn't draw salary in financial year 2016-17.

- The percentage increase in the median remuneration of employees in the financial year is **8.16**.
- The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017 was **225**.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

*In the view of the Company performances, the Company undertake negligible salary revision in favour of the employee or managerial remuneration for the year.*

- It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the Company.

**B. Statement of Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**Employed throughout the year and in receipt of Remuneration of Rs. 1.02 Crores and above:**

S. No	Employee Name	Designation	Nature of Employment	Qualification & Exp (Years)	Joining Date	Age	Previous Employment	Gross Remuneration (Rs.)	% of Equity Shares held	Whether Relative of Director
1	NIL									

**Employed partly during the year and in receipt of Remuneration of Rs. 8.5 Lakhs and above per month:**

S. No	Employee Name	Designation	Nature of Employment	Qualification & Exp (Years)	Joining Date	Age	Previous Employment	Gross Remuneration (Rs.)	% of Equity Shares held	Whether Relative of Director
1	NIL									

Notes:

- Gross Remuneration shown above is subject to tax and comprises Salary including Arrears, Allowances, Rent, Medical Reimbursements, Leave Travel Benefits, Leave Encashment, Provident Fund, Superannuation Fund & Gratuity under LIC scheme in terms of actual expenditure incurred by the Company.
- All appointments are contractual in nature.
- None of the employees mentioned above are related to any Director of the Company.
- None of the employees mentioned above holds by himself / herself or along with his / her spouse and dependent children, 2% or more of the Equity Shares of the Company.

## Annexure - IV to the Directors' Report

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

## A. CONSERVATION OF ENERGY

## i) The steps taken or impact on conservation of energy.

Company has already in place the latest technology utilized in its Tower Manufacturing, Fabrication and Rolling Mill Plants. The company's manufacturing plants have received also ISO Certification. Company's rolling mill is the key user of company's overall power requirements and company is using only the latest and power-efficient technology and plant & machinery.

## ii) The steps taken by the company for utilizing alternate sources of energy.

Company is enjoying adequate power load from State Electricity Distribution. Company is also utilizing Stand-by power for running the plant other than the Rolling mill. Apart from the above company has tied up with private power suppliers, in case of exigencies.

## iii) The capital investment on energy conservation equipments.

The company has not made any investment on energy conservation equipment.

## B. TECHNOLOGY ABSORPTION

## i) The efforts made towards technology absorption.

As already mentioned above, Company has already in place the latest technology utilized in its Tower Manufacturing, Fabrication and Rolling Mill Plants.

## ii) The benefit derived like products improvement, cost reduction, product development of import substitution etc.

As mentioned above, company has received ISO certification for its rolling mill / tower manufacturing plant. Moreover company's tower manufacturing plant has been duly certified by M/s Powergrid Corporation of India Limited for supply of Towers and Tower parts used in the Power Transmission and Distribution. Further company's main products i.e., Tower and Tower parts are manufactured and supplied in strict compliance of requirements / specification of EPC power employers like PGCIL, MPPTCL etc.

## iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

We have not imported any technology in the last three financial years. However it is informed that the technology for company's Galvanizing plant (within the Tower manufacturing / fabrication plant) is imported and is functioning well.

## iv) The expenditure incurred on Research and Development.

S.No	Description	2016-17	2015-16
(a)	Capital	NIL	-NIL
(b)	Recurring	-NA-	-NA-
(c)	Total	NIL	NIL
(d)	Total R & D expenditure as a Percentage of total turnover	NIL	NIL

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

	March'17	March'16
Earnings	46.72	351.53
Outgo on Royalty	166.32	109.88



## Annexure-V to the Directors' Report

### REPORT ON CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of your Company on corporate governance envisages attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and in its interactions with its stakeholders, including shareholders, employees, lenders, and the government. Your Company is committed to achieve and maintain the highest standards of Corporate Governance. Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the Stock Exchanges and the investors. Your Company is committed to conduct its business in compliance with the applicable laws, rules & regulations and with the highest standards of business ethics. The Company has adopted the requirements of Corporate Governance stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

#### I. Board of Directors

As on March 31, 2017, the Company's Board of Directors consisted of 4 (Four) Directors, of whom 2 (two) are Independent Directors. Besides the Chairman, an Executive Promoter Director, the Board comprises of One Executive Director and two Non-Executive Independent Directors (including Ms. Dimple Kaul, a Woman Director). The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 enjoining specified combination of Executive and Non-Executive Directors with at least one Women Director, with not less than fifty percent of the Board comprising of Non-Executive Directors and at least one-half of the Board comprising of Independent Directors for a Board chaired by Executive Promoter Director.

The day-to-day management of the Company is conducted by the Chairman & Managing Director of the Company subject to the supervision, direction and control of the Board of Directors.

The details of the Composition and Nature of Directorship of Directors as on March 31, 2017 are detailed below:

S. No.	Name of the Director	Category	No. of Shares held
1.	Mr. Rajesh Agarwal	Managing Director / Promoter	228704480
2.	Mr. Arun Dogra	Whole Time Director	Nil
3.	Ms. Dimple Kaul	Independent / Non-Executive Director	Nil
4.	Mr. Narayan Rao Gali	Independent / Non-Executive Director	Nil

#### Number of Board Meetings

The Board meets at least once in a quarter to review the Quarterly Financial Results and other items of Agenda. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the business. During the Financial Year 2016-17, the Board of Directors met five times on 29.04.2016, 27.05.2016, 14.09.2016, 28.11.2016 and 04.02.2017. The maximum time gap between any two meetings did not exceed One Hundred and Twenty days as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

#### Board Procedures

The Board Meetings are governed by a structured Agenda. The Agenda and the explanatory notes are circulated well in advance to the Committees / Board, in accordance with the Secretarial Standards, to enable them for making value addition as well as exercising their business judgment, in the Committee / Board Meetings. Where it is not practicable to attach any document to the Agenda, then same is placed before the Board at the Meeting. The Board Members may bring up any matter for consideration of the Board, in consultation with the Chairman.

In case of business exigencies or urgency of matters, resolutions are passed by circulation and same are placed before the Board in the next Meeting. Video conferencing facilities are used, as and when required, to facilitate Directors to participate in the Meetings.

The Companies Act, 2013, read with the relevant rules made thereunder, now facilitates the participation of a Director in the Board / Committee Meetings through video conferencing or other audio visual means. Accordingly, the option to participate in the Meetings through video conferencing was made available to the Directors, except in respect of restricted items which are not permitted to be transacted through video conferencing.

The Board is apprised on the Company's performance, operations, plans and other matters on a periodic basis, covering all business areas of the Company. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations. Regular updates provided to the Board, inter alia, include Annual Operating Plans, CAPEX Budget and its Quarterly updates, Quarterly Results, Minutes of Meetings of Audit Committee and of all other Committees of the Board, Quarterly details of Foreign Exchange exposures, Risk Management and mitigation measures, Report on Compliance of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

The draft Minutes of the Board and its Committees are sent to the members for their comments and then the Minutes are entered in the Minutes book within 30 days of the conclusion of the Meeting.

Besides, the Independent Directors held a Separate Meeting for the purpose required as per the applicable provisions of the Companies Act 2013 and the Listing Regulations.

#### Directors' Attendance Record and their other Directorships/ Committee Memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions.

Relevant details of the Board of Directors as on March 31, 2017 are given below:

S. No.	Name of the Director	Attendance		Total Directorships <sup>1</sup>	Committee Memberships / Chairmanship <sup>2</sup>
		Board Meeting	Last AGM		
1.	Mr. Rajesh Agarwal	5	Yes	4	0
2.	Mr. Arun Dogra	5	Yes	1	2
3.	Ms. Dimple Kaul	5	Yes	4	0
4.	Mr. Narayan Rao Gali	5	Yes	2	2
5.	Mahesh Kumar Khara <sup>3</sup>	4	Yes	1	2

1. Directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

2. Chairmanships / Memberships of Board Committees only include Audit Committee and Stakeholders' Relationship Committee

3. Resigned w.e.f 01.01.2017.

### Limit on the number of Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than Seven Listed Companies or in case he/she is serving as a Whole-Time Director in any Listed Company, does not hold such position in more than three Listed Companies.

### Shareholding of Non-Executive Directors

None of the Non-Executive Directors hold any Shares in the Company. Further, the Company has not issued any convertible instruments hence disclosure in this respect is not applicable.

### Independent Directors

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample letter of appointment is available on the website of your Company and can be accessed through the following link: [www.bslimited.in](http://www.bslimited.in)

### Independent Directors' Meeting:

During the year under review, the Independent Directors met without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

### Familiarisation Programme

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They

have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

Brief details of the familiarization programme are uploaded on the website of your Company and can be accessed through the following link: [www.bslimited.in](http://www.bslimited.in)

## II. Committees of the Board

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory Committees, viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their performance reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are placed before the subsequent Board Meetings. The Company Secretary and Compliance Officer of the Company will be the Secretary to all of the above Committees.

### 1. Audit Committee:

The Audit Committee presently comprises of three Directors, out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate. Terms of reference of the audit committee cover the matters specified for audit committee under SEBI listing regulations and provisions of Section 177 of the Companies Act, 2013. The composition of the committee is in conformity with the requirements of SEBI listing regulations and the provisions of section 177 of the Companies Act, 2013. Mr. Mahesh Kumar Khara, Chairman of the Audit Committee attended the last Annual General Meetings of the Company held on 29.12.2016 to answer shareholder's queries.

The financial results of the Company are minutely scrutinized by the Committee and discussed at length before being recommended to the Board for its adoption. Internal Audit Report of the Company is also placed before the Committee for its perusal. The committee closely analyses the internal control mechanism and wherever necessary directs for suitable changes. Similarly, other matters required to be placed in conformity the provisions of the SEBI listing regulations and the Companies Act,

2013 and the rules framed there under are placed at regular intervals to ensure transparency in the conduct of business is maintained.

During the Financial Year 2016-17 five meetings on 29.04.2016; 27.05.2016; 14.09.2016; 28.11.2016 & 04.02.2017 of Audit Committee were held. The attendance at the said meetings was as follows:-

S. No.	Name of Members	Category of Directors	No. of Meetings Attended
1.	Arun Dogra	Executive Director	5
2.	Dimple Kaul	Independent & Non-Executive Director	5
3.	Narayan Rao Gali	Independent & Non-Executive Director	5
4.	Mahesh Kumar Kherra*	Independent & Non-Executive Director	4

\*Resigned w.e.f 01.01.2017

All the above members have vast experience apart from having adequate knowledge in the field of Finance and Accounting. Aforesaid Audit Committee meetings were attended by Head of Finance and Internal Audit department as well as the Statutory Auditors of the Company.

## 2. Nomination and Remuneration Committee:

Terms of reference of the committee cover all matters specified for Nomination and Remuneration committee specified in the provisions of Section 178 of the Companies Act, 2013 and SEBI listing regulations.

The Company has adopted a credible and transparent policy in determining and accounting for the remuneration of the executive Directors, Key Managerial personnel, etc. and to determining their remuneration as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be.

The committee comprised of three members as at March 31, 2017. During the year under review, Four Meetings of the Committee were held i.e. on 27.05.2016, 14.09.2016, 28.11.2016 & 04.02.2017.

Composition of the committee and attendance of each member were as follows:

S. No.	Name of Members	Category of Directors	No. of Meetings Attended
1.	Dimple Kaul	Independent & Non-Executive Director	4
2.	Narayan Rao Gali	Independent & Non-Executive Director	4
3.	Mahesh Kumar Kherra*	Independent & Non-Executive Director	3

\*Resigned w.e.f 01.01.2017

Mr. Mahesh Kumar Kherra, Chairman of the Nomination & Remuneration Committee attended the last Annual General Meetings of the Company held on December 29, 2016.

## 3. Stakeholders' Relationship Committee:

The Committee has been set up with an optimum mix of Independent Directors & Promoter Directors. The Committee is headed by an Independent Director as Chairman.

During the year under review Ms. Alka Kumari Company Secretary has complied with all the requirements of SEBI Regulations and Listing Agreements, etc. executed by the Company with the two Stock Exchanges.

The Stakeholders' Relationship Committee oversees and reviews all the matters connected with Share Transfers, Issue of Duplicate Share Certificates and other issues pertaining to Shares. The Committee also looks into redressal of investors' grievances pertaining to Transfer of Shares, Non-Receipt of Balance Sheet, Non-Receipt of declared Dividends, etc. The Company has appointed M/s. Karvy Computershare Private Limited as the Registrar and Transfer Agent to handle investor grievances in coordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

During the year under review, Four Meetings of the Committee were held i.e. on 27.05.2016, 14.09.2016, 28.11.2016 & 04.02.2017. The Composition, Meetings and Attendance of Directors as on March 31, 2017 are as under:

S No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
1.	Narayan Rao Gali	Independent Director	Member	4	4
2.	Dimple Kaul	Independent Director	Member	4	4
3.	Arun Dogra	Executive Director	Member	4	4
4.	Mahesh Kumar Kherra*	Independent Director	Chairman	4	3

\*Resigned w.e.f 01.01.2017

The Status of queries and complaints received during the Financial Year ended March 31, 2018 are given herein below:

Number of Complaints received during the year	17
Number of Complaints resolved during the year	17
Number of Complaints pending at the end of the year	Nil

## Reconciliation of Share Capital Audit:

A Qualified Practicing Company Secretary carries out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital and places the Report for

perusal of the Board. The Reconciliation of Share Capital Audit Report confirms that the total Issued and Listed Capital is in agreement with the total number of Shares in physical form and the total number of Dematerialized Shares held with NSDL and CDSL.

#### 4. Corporate Social Responsibility Committee

Terms of reference of the committee cover all matters specified for Corporate Social Responsibility Committee ("CSR Committee") as specified in the provisions of Section 135 of the Companies Act, 2013 and SEBI listing regulations.

The Composition of the Corporate Social Responsibility Committee ("CSR Committee") is in alignment with provisions of Section 135 of the Companies Act, 2013.

The CSR Committee comprises of 3 (Three) Directors of whom 2 (Two) Directors are Non-Executive & Independent Directors. During the year under review, Three Meetings of the Committee were held i.e. on 27.05.2016, 14.09.2016 & 28.11.2016:

S No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
1.	Rajesh Agarwal	Executive Director	Chairman	3	3
2.	Dimple Kaul	Independent Director	Member	3	3
3.	Mahesh Kumar Kherra*	Independent Director	Member	3	2

\*Resigned w.e.f 01.01.2017

#### 5. Risk Management Committee

The Board of Directors has constituted a Risk Management Committee in accordance with the provisions of Regulation 21 of the Listing Regulations to oversee the risk management efforts in the Company and shall act in accordance with mandate to be given by the Board from time to time keeping in view the various statutory provisions on this issue.

The Composition of the Committee as of March 31, 2017 is as under:

S. No	Name of the Director	Designation	Chairman/Member
1	Mr. Rajesh Agarwal	Chairman & Managing Director	Chairman
2	Mr. Arun Dogra	Whole Time Director	Member
3	Mr. Ritesh Tawry	DGM – Finance & Accounts	Member

#### III. Directors Remuneration

As mentioned above the Board comprises of an ideal mix of Executive as well as Non-Executive Directors. Remuneration paid to Managing Directors and/or Whole time Directors are decided by the Remuneration Committee, confirmed by the Board and then approved by the shareholders in the subsequent Annual General Meetings.

#### a) To Managing Director & Whole Time Director

The break-up of the Remunerations paid to Managing Director & Whole time Director of the Company during the financial year 2016-17 is summarized below:-

S. No.	Name of Directors	Salary (Basic + HRA)	Perquisites	Retirement Benefits	Commission & Incentives	Total Amount (in Rs.)
1.	Rajesh Agarwal	Nil	Nil	Nil	Nil	Nil
2.	Arun Dogra	12,00,000	Nil	Nil	Nil	12,00,000
	<b>Total</b>	12,00,000	Nil	Nil	Nil	12,00,000

#### b) To Non-Executive Directors

According to statutory provisions the Non-Executive Directors are only paid sitting fee for attending Board/ Committee meetings at a fixed rate duly approved by the Board time to time. Independent Directors do not have any pecuniary relationships or transactions with the Company except for payment of fee for attending the meetings.

The remunerations paid to Non-executive and Independent Directors for attending the Board Meetings and/ or Committee Meetings for the financial year 2016-17 were as follows:

S. No.	Name of Directors	Sitting Fees (Rs.)
1.	Dimple Kaul	2,00,000
2.	Narayan Rao Gali	2,00,000
3.	Mahesh Kumar Kherra*	1,60,000

\*Resigned w.e.f 01.01.2017

As per Regulation 26(4) of listing Regulations, none of the Non-Executive Directors held any shares in the Company.

#### IV. General Body Meetings:

**Date, Time and Location, where last Three AGMs held:**

For Financial Year	Held on	Time	Venue	No. of Special Resolutions Passed
2015 - 16	29.12.2016	12:00 Noon	Occasions, Hotel "Best Western" Jubilee Ridge, # 38&39, Kavuri Hills, Rd. No. 36, Jubilee Hills, Hyderabad, 500036	0
2014 - 15	30.09.2015	11:00 A.M	Occasions, Hotel "Best Western" Jubilee Ridge, # 38&39, Kavuri Hills, Rd. No. 36, Jubilee Hills, Hyderabad, 500036	4
2013 - 14	30.09.2014	2:30 P.M.	Occasions, Hotel "Best Western" Jubilee Ridge, # 38&39, Kavuri Hills, Rd. No. 36, Jubilee Hills, Hyderabad, 500036	8

- None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.
- No Extraordinary General Meeting of the members was held during the financial year 2016-17.

**V. Means of Communication**

- (i) **Information to Stock Exchange and Newspaper Publicity** of the Company are published in the newspapers in terms of Regulation 47 of SEBI (LODR) Regulations, 2015. These results are promptly submitted to Stock Exchanges. Additionally, in strict compliance of Listing Agreement requirements and SEBI (Listing and Obligation Disclosure Requirements) Regulations, 2015, the Company has always promptly reported dates of various Board Meetings, General Meetings, Book Closures/ Record Date to the Stock Exchanges and also published the information pertaining thereto in a leading Financial daily for information of shareholders. Price sensitive information like receiving of orders/ award and other matters that are relevant to the shareholders has been timely informed to Stock Exchanges.
- (ii) **Company's Website** The Company regularly posts important information such as Quarterly/Annual Audited Financial results, Shareholding pattern and change in Board of Directors etc. on Company's website [www.bslimited.com](http://www.bslimited.com) at the earliest. There

were no official news releases during the year:

- (iii) **NSE Electronic Application Processing System ("NEAPS")**: The Shareholding pattern and Corporate Governance for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange for corporate.
- (iv) **BSE Corporate Compliance and Listing Centre ("Listing Centre")**: The Listing Centre is web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate Announcement, Media Release, Results etc. are filed electronically on the Listing Centre.
- (v) **SEBI Complaints Redress Systems ("SCORES")**: The investors complaints are now processed in a centralized web based complaints redress system termed as SEBI Complaints Redress Systems (SCORES). The Action taken reports are submitted online by the Company and resolved to the satisfaction of the investor through SCORES.
- (vi) **The Management's Discussions and Analysis Report** forms part of this Annual Report.

**VI. General Shareholder Information**

- A. Registered Office** : Sy. No.41, Majeedpalli (V), TSIIIC Indl. Area, Muppireddypally, Manoharabad Mandal, Medak District - 502334, Telangana State
- B. Annual General Meeting**  
**Date** : 28.12.2017  
**Day** : Thursday  
**Time** : 12:15 P.M.  
**Venue** : Sy. No.41, Majeedpalli (V), TSIIIC Indl. Area, Muppireddypally, Manoharabad Mandal, Medak District - 502334, Telangana State
- C. Financial Year** : 2016-17
- D. Un-audited/Audited Results Approval:**
- | S. No. | Quarter | Ended on   | Board Meeting held on |
|--------|---------|------------|-----------------------|
| 1.     | First   | 30.06.2016 | 14.09.2016            |
| 2.     | Second  | 30.09.2016 | 28.11.2016            |
| 3.     | Third   | 31.12.2016 | 04.02.2017            |
| 4.     | Fourth  | 31.03.2017 | 29.05.2017            |
- E. Dates of Book Closure** : 24.12.2017 to 27.12.2017
- F. Payment of Dividend** : For the Financial Year 2016-17 no dividend has been recommended by the Board of Directors of the Company.
- G. Listing at Stock Exchanges** : National Stock Exchange of India & BSE Limited
- H. Stock Code** : National Stock Exchange of India – BSLIMITED  
BSE Limited - 533276
- I. ISIN No.** : INE043K01029

**J. Share Market Price Data for the financial year 2016-17**

For the Month of	Price of Shares on BSE		Price of Shares on NSE	
	High	Low	High	Low
April' 16	14.2	9.66	14.2	9.7
May' 16	14.24	10.8	14.25	11.15
June' 16	12.4	10.26	12.05	10.2
July' 16	14.8	9.18	14.75	9.1
August' 16	10.9	5.95	10.9	5.95
September' 16	6.9	4.12	6.5	4.1
October' 16	6.69	4.2	6.7	4.2
November' 16	5.47	3.77	5.45	3.8
December' 16	3.8	2.6	3.85	2.6
January' 17	2.77	2.2	2.75	2.2
February' 17	2.55	1.71	2.55	1.7
March' 17	2.64	1.79	2.55	1.85

**K. Share Price Comparison**

Particulars	Price Quoted at BSE	BSE (Sensex)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2016 (Open)	13.49	25,301.70	13.6	7718.05
Share Price 31.03.2017 (Close)	1.8	29,620.50	1.8	9173.75
Increase/Decrease in%	(86.65)	17.06	(86.76)	18.86

**L. Share Transfer Agents** : Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

**M. Share Transfer System** : The Company's equity shares are compulsorily traded in Demat mode at the Stock Exchanges. Equity shares in physical form lodged for transfer are processed by Share Transfer Agents of the Company namely Karvy Computer Share Private Limited before a formal approval is accorded by Share Transfer Committee of the Board. The transfer/ transmission of shares in physical form is normally processed and completed within 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed instantly by NSDL/ CDSL through their respective Depositories.

In terms of Regulation 7 of SEBI (Listing Obligation Disclosure Requirement) Regulations, 2015 every listed Companies are required to submit a half yearly Compliance Certificate duly certified by both the Compliance Officer of the Company and the Authorized representative of Share Transfer Agent to the Stock Exchanges where their securities are listed.

In accordance with SEBI's requirement, a Practicing Company Secretary has been appointed by the Company who on quarterly basis conducts "Secretarial Audit" for reconciliation of total issued share capital with depositories and in physical form.

**N. Distribution of Shareholding** : Distribution of Shareholding of the Company as on March 31, 2017 was as follows

Category From – To	No. of Cases	% of Cases	Amount	% of Amount
01 – 5000	23991	79.55	32923342.00	7.45
5001 – 10000	2793	9.26	22013169.00	4.98
10001 – 20000	1641	5.44	24513387.00	5.55
20001 – 30000	624	2.07	15647463.00	3.54
30001 – 40000	275	0.91	9947383.00	2.25
40001 – 50000	234	0.78	10962993.00	2.48
50001 – 100000	360	1.19	26718044.00	6.05
100001 & Above	242	0.80	298957799.00	67.69
TOTAL	30160	100.00	441683580.00	100.00

**O. Dematerialization of Shares** : 99.9% of the equity shares of the Company have already been dematerialized

**VII. Other Disclosures**

**a) Related party Disclosures:** Your Company has not entered into any material significant related party transactions with the Directors or the management or their relatives that may have any potential conflict with interest of the Company. Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Suitable Disclosures as required by Accounting Standard-18 (Related Party Transactions) have been made in Annual Report.

The Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions have been entered in the Register, wherever applicable.

**b)** Details of non-compliance by the Company, penalties, restrictions imposed on the Company by the stock

exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2013-14, 2014-15 & 2015-16 are Nil.

**c) Whistle Blower Policy:** Your Company is committed to adopt the best Corporate Governance Practices and to follow the highest possible moral, legal and ethical standards in the conduct of its business. In line with this commitment, Whistle blower Policy was designed to provide a mechanism for employees/ Board Members and others to raise good faith concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and to protect the individuals who take such actions from retaliation or any threat of retaliation.

**d) Policy for determining 'Material' Subsidiary(ies)'**: The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any unlisted material Indian subsidiary companies.

As per Regulation 24 of the SEBI (LODR) Regulations, 2015, The Company has made a policy on determining 'Material Subsidiaries' which is disclosed on the Company's website at the following: <http://www.bslimited.in/codeofconduct.html>

**e) Compliance of Regulation 27(1) of SEBI (LODR), 2015:**

- 1) Although some of the requirements stated in the said regulation are discretionary in nature. Since the Company does not have executive Chairman, the meeting of Board of Director is presided over by one of the Independent Director who is unanimously selected by the Board at the Meeting.
- 2) The Company has an experienced Internal Auditor who regularly conducts internal audit of accounts of Head office and Company's different units and branches. The said Internal Auditor frequently submits his report to the Audit committee which take deliberation on them and issues necessary directions as deemed fit.

- f) Risk Management:** The Company has established a Risk Management framework wherein a committee comprising of the senior executive of the Company has been established which periodically identify potential risks to the strategy of the Company and take effective measures to mitigate the same in the best possible manner.

**VIII. Compliance with Mandatory Requirements**

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements stipulated under regulation 17 to 27 read with Schedule V and sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

Due dates for transfer of unclaimed dividend by the Company, if any, to Investor Education Protection Fund are as follows:

Financial Year/ Quarter Ended	Type of Dividend	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
March 31, 2011	Final	September 30, 2011	October 29, 2018	November 07, 2018
March 31, 2012	Final	September 29, 2012	October 28, 2019	November 06, 2019
December, 2012	Interim	February 04, 2013	March 06, 2020	March 13, 2020
March 31, 2014	Final	September 30, 2014	October 28, 2021	November 06, 2021

- ii) Members still holding shares in physical form are requested to notify/send the following to the Company's RTA to enable them to provide better services:
  - a) Any change in the address/bank details
  - b) Particulars of the bank A/c in case the same have not been sent earlier.
  - c) Copy of PAN Card for transfer/ transmission/ deletion of name etc.
- iii) Although 99.9 % of Company's shares have already been dematerialized, members still holding their shares in physical form are again requested to get them dematerialized so that their eventual trading at the Stock Exchanges is facilitated.
- iv) For better service to the investors and Shareholders, members are requested to submit their valuable suggestions to the Company.

**IX. Code of Conduct**

In order to compliance of provisions of regulation 26(3) of SEBI listing regulations the Code of conduct has been laid down for all Board Members and Senior Management Personnel of the Company. The Board members and senior management personnel have affirmed their compliance of the said code for the Financial Year 2016-17. A Declaration to this effect signed by the Managing Director is annexed at the end of this report.

The Company has made a policy on 'Code of Conduct' which is disclosed on the Company's website at the following: <http://www.bslimited.in/codeofconduct.html>

**X. CEO / CFO Certification**

As required under Regulation 17 of the Listing Regulations, the Annual Certification on Financial Reporting and Internal Controls for the Financial Year 2016-17 signed by Mr. Rajesh Agarwal, Chairman & Managing Director and Mr. Arun Dogra, Whole Time Director & CFO, was placed before the Board of Directors at its Meeting held on 29.05.2017 and is enclosed at the end of the Report.

**XI. Other useful Information for Shareholders**

**UNCLAIMED DIVIDEND**

- i) Pursuant to Section 124 & 125 and other applicable provisions, if any of the Companies Act, 2013 as amended, dividends which are unclaimed for a period of 7 years are statutorily required to be transferred to Investor Education and Protection Fund (IEPF) administered by Central Government and thereafter the same cannot be claimed by the Investors. Further according to the rule, the shares of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

Members are required to submit their claims of un-received dividend amount of different dividends declared by the Company from time to time to the Company without any delay.

## Annexure-VI to the Directors' Report

Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

To,  
**The Members,**  
**M/s. BS Limited,**  
**#304, Trendset Towers,**  
**Road No. 2, Banjara Hills,**  
**Hyderabad 500034**

I have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. BS Limited** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing my opinion thereon.

Based on my verification of BS Limited's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial Year ended on March 31, 2017, 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:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share

Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the Audit Period)**

I have also examined compliance with the applicable Clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with The BSE Limited and The National Stock Exchange of India Limited;
- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations as notified with effect from December 01, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and Listing Agreement(s) etc., mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent in advance except when the Board Meetings were called by giving less than Seven days' Notice in accordance with the Provisions of Section 173 of the Companies Act, 2013 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.

All decisions at Board and Committee Meetings are carried out and are recorded in the Minutes of the respective Meetings and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

I further report that, I have not examined compliance by the company with applicable financial laws, like direct and





- b) To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- c) To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by Government / Regulatory Authorities and to earmark amounts of monies towards "Corporate Social Responsibility (CSR)" activities and to spend such monies through CSR Cells of such administrative bodies of the Government and/or directly by way of developmental works in the local areas around which the Company operates;
- d) To provide equal opportunities to beneficiaries of the Company's CSR Programmes as Vendors or Employees on merit.
3. **Reference to the web-link to the CSR Policy and Projects or Programs** <http://www.bslimited.in/codeofconduct.html>
4. **The Composition of the CSR Committee**

The Company has constituted a Corporate Social

- c. Manner in which the amount spent during the Financial year is detailed below:

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project Or activity identified	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district Where projects or Programs was undertaken	Amount outlay (budget) project or Program wise	Amount spent on the Projects or programs Subheads: (1)Direct expenditure on projects or programs. (2)Overheads:	Cumulative expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
NIL							

8. **In case the Company has failed to spend the two per cent, of the Average Net Profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

Since the Company has filed an application with National Company Law Tribunal (NCLT) on 9.12.2016 (under I.R. No. 886 of 2016) for revision of its Financial Statements for the Financial years 2014-15 & 2015-16, which is pending before NCLT for its approval, the Board of Directors of the Company has, however decided not to spend money on CSR activities considering if the application is accepted by the NCLT then Company's profit for the said years will become negative &

Responsibility Committee (CSR) to monitor the CSR activities. Members of the committee as on 31.03.2017 are:

S.No	Name of the Director	Designation
1.	Mr. Rajesh Agarwal	Executive Director
2.	Mrs. Dimple Kaul	Independent Director
3.	Mr. Narayan Rao Gali	Independent Director

5. **Average Net Profit of the Company for last three financial years**

Rs. 97,51,61,551

6. **Prescribed CSR Expenditure (Two per cent of the amount as in item 5 above)**

Rs. 1,95,03,231

7. **Details of CSR spent during the Financial Year**

- a. Total amount to be spent for the Financial year : Rs. 1,95,03,231
- b. Amount unspent , if any: Rs. 1,95,03,231

thus, CSR would not be applicable on us.

But, as a Good Corporate Governance, your Board of Directors had made a provision for the said years. In the event of our application rejected by NCLT then Company will spend the amount on the CSR activities.

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

Sd/-  
Managing Director

Sd/-  
Chairman  
CSR Committee

## Annexure – VIII to the Directors' Report

### Disclosure regarding the Employee Stock Option Plan 2011 of the Company.

The details as required to be disclosed with regard to the Employee Stock Option Plan 2011 of the Company as on March 31, 2017 are given below.

The ESOP 2011 Scheme of the Company is implemented by the Board of Directors and/or the Nomination and Remuneration Committee. Unless otherwise specified, the vested options are to be exercised prior to the expiry of 24 months from the date of vesting.

The following table sets forth the particulars of the Options granted under ESOP 2011 as on March 31, 2017:

S.No	Particulars	Tranche I	Tranche II	Tranche III
1	Total Options available for Grant as authorized by Plan			10,939,330
2	Options granted	4,872,070	2,165,000	200,000
3	Date of Grant	12-Nov-11	29-Sep-12	28-Mar-16
4	Exercise Price of Options (in Rs.)*	10.995	20.425	13.25

S.No	Particulars	Tranche I	Tranche II	Tranche III
5	Options Vested	3,041,260	2,165,000	-
6	Options Exercised	1,770,230	-	-
7	Total No. of Shares arising as a result of Exercise of Options	1,770,230	-	-
8	Options Forfeited / Lapsed	3,101,840	2,165,000	200,000
9	Variation in terms of Options	-	options granted would vest over two years as against four years	options granted would vest after one year from the date of grant
10	Money realized by exercise of options (in Rs.)	19,463,678.85	-	-
11	Total No. of options in force ( <b>Point No. 1 - 6 - 8</b> )	-	-	-
12	Employee wise Details of options granted to:			
	a) Senior Managerial Personnel	2,421,090	2,165,000	200,000
	b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	-	-	-
	c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-	-
13	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (in Rs.)	(9.25)	(9.25)	(9.25)
14	Method of Valuation of Options			Fair Value Method

\* The Number of Options have been multiplied by 10 (Ten) subsequent to the Split of Face Value of Shares of the Company from Rs. 10/- to Re. 1/-.

## Management Discussion and Analysis Report

### World Economy

- The pace of the global economic recovery is picking up. Contributing factors are that strong US and Chinese economies have brought about knock-on effects to Japan, Eurozone countries, and major emerging economies, and that many resource-dependent nations are recovering from the worst period of the economic downturn against the backdrop of recovery in commodities prices. The IMF has forecast that global real GDP growth will recover to an annual rate of 3.6% in 2017, from 3.2% in 2016 (the lowest rate since the global financial crisis), and it predicts a similar growth rate of 3.7% for 2018.
- While economic conditions strengthen, there is a concern that excessive monetary easing might lead to a future asset bubble, and the FRB (Federal Reserve Bank) has implemented interest rate hikes and balance sheet reduction. At the same time, the ECB (European Central Bank) is moving towards a reduction of quantitative easing. While inflation rates are hovering low, both the FRB and ECB will likely maintain a cautious pace in rolling back their monetary easing policies, but careful attention should be paid to risks that lead to significant corrections in the financial markets and outflows of money from emerging economies.
- Other risk factors include geopolitical risk surrounding North Korea. If the world grows acutely aware of the risk of war breaking out, triggered by reasons such as the evacuation of Americans living in South Korea, a negative impact on the global economy, through substantial drops in stock prices and cooling economy sentiment for corporations and households, is to be expected. This would likely have a particularly significant impact on East Asian countries, such as Japan and South Korea. Potential chaos resulting from an impasse in the Brexit negotiations and a major slowdown in investment in Chinese real estate development are other risk factors. On the other hand, if US measures such as tax reforms are realized, it is likely to contribute to boosting economies.

### Indian Economy

In 2017, the Union Government achieved introduction of India's most ambitious tax reform (Other two planned big reforms are, land acquisition and labor laws reform, but these two seem impossible before the next national election, scheduled for 2019) as, the GST (Goods and Services Tax), and it is working to promote other reforms, including infrastructure developments and banking reforms.

### Indian Power Sector / Power Transmission

#### Government Initiatives

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- "Saubhagya Yojana" programme was launched in Jharkhand to provide electricity to all 29,376 villages.
- The companies within the solar power industry in India, specifically the ones involved in the operation and maintenance (O&M) of solar power plants have welcomed the Government of India's move to introduce regulations for operating drones by February 2017.
- Over 280 million LED bulbs were distributed to consumers in India by Energy Efficiency Services Limited (EESL) under Unnati Jyoti by Affordable LEDs for All (UJALA) as on December 19, 2017 and 524.3 million LED bulbs were sold by private players till October 2017.
- In order to lower India's crude oil imports, the Government of India is going to promote coal gasification to convert high ash coal into methanol that can be used as cooking gas and transportation fuels.
- Initiatives taken by the Energy Efficiency Services (EESL) have resulted in energy savings of 37 billion kWh and reduction in greenhouse gas (GHG) emissions by 30 million tonnes.
- The Union and state governments have agreed to implement the Direct Benefit Transfer (DBT) scheme in the electricity sector for better targeting of subsidies.

- All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019.
- Uttar Pradesh Electricity Regulatory Commission, regulator of power sector in Uttar Pradesh, has approved several steps to strengthen the financial position of state utilities and increase opportunities for companies in the transmission and distribution (T&D) EPC business.
- The Department of Economic Affairs, Government of India, signed a guarantee agreement for IBRD/CTF loan worth US\$ 98 million and grant agreement for US\$ 2 million with the World Bank for 'shared infrastructure for solar parks project'.

#### The Road Ahead

- The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.
- Coal-based power generation capacity in India, which currently stands at 192 GW is expected to reach 330-441 GW by 2040.
- The 2026 forecast for India's non-hydro renewable energy capacity has been increased to 155 GW from 130 GW on the back of more than expected solar installation rates and successful wind energy auctions.
- India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US\$ 6.23 billion) on an annual basis.
- India's installed solar power capacity reached 14,771.69 as of September 2017.
- The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. A total of 16,064 villages out of 18,452 un-electrified villages in India have been electrified up to December 2017 as part of the target to electrify all villages by May 1, 2018.
- The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

(Source: <https://www.ibef.org/industry/power-sector-india.aspx>)

#### BS Limited

##### Challenges & Strategy

This year your Company faced financial issue & cash flow mismatch due to piling up of its collections/receivables. This liquidity crunch affected Company's ability to meet its repayment / servicing liabilities, both under working capital and term loans.

Though the Company's bank accounts were considered by the JLF (Joint lenders' forum) led by State Bank of India, under S4A scheme (Scheme for Sustainable Structuring of Stressed Assets) of The Reserve Bank of India. SBI, as per scheme guidelines appointed empanelled members of the bank for conducting a Techno-Economic Viability Study and a Forensic

Audit Report. After receipt of both the reports, while Forensic Audit Report was observed satisfactory (i.e., after submission of required documents / explanations by the company, wherever required), JLF members concluded that TEV study report did not recommend company's account eligible under S4A scheme, as the report observed that the company's estimated cash flows were not meeting the sustainability requirements under the scheme.

So, the Company is focused on optimizing its strategy and operations to overcome the present economic and financial challenges. Your company has also been negotiating with the lenders to enable an acceptable resolution / settlement either through ARC (Asset Reconstruction Co.) route or OTS (One-time settlement) route.

#### Risks Management and Internal Control

As an EPC contracting Company with global presence your Company is exposed to various risk associated with turnkey projects. The Company has set up risk management system to understand, measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as possible, to the policies and procedures established by it to mitigate these risks. The Company has in place effective systems safeguarding the assets and interest of the Company and ensuring compliance with law and regulations. The Company's internal control systems are supplemented by an extensive programme of internal audit conducted by external auditors to ensure adequate system of internal control. Audit plans, internal auditor's observations and recommendations, significant risk areas assessments and adequacy of internal controls are also periodically reviewed by the Audit Committee.

#### Cautionary Statement

Statements made in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include global and domestic supply and demand conditions affecting selling prices of the finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations. Statements in this document that are not historical facts are forward-looking statements. These forward-looking statements may include the company's objectives, strategies intentions, projections, expectations and assumptions regarding the business and the markets in which the Company operates. The statements are based on information which is currently available to us and the company assumes no obligation to update these statements as circumstances change. There may be material difference between actual results and those expressed herein. The risks, uncertainties and important factors that could influence the Company's operation and business are global and domestic economic conditions the market demand and supply for products, price fluctuations, change in the government's regulations statutes and tax regimes and other factors not specifically mentioned herein but those that are common to the industry.

**DECLARATION REGARDING AFFIRMATION OF THE CODE OF CONDUCT**

In terms of the requirement of Regulations 26(3) read with schedule V Para D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct of the Company has been displayed at the Company's Website [www.bslimited.com](http://www.bslimited.com). All the members of the Board and the Senior Management Personnel of the Company had affirmed compliance of Company's Code of Conduct for the Financial Year ended on March 31, 2018.

For **BS LIMITED**

Sd/-

**(Rajesh Agarwal)****Chairman & Managing Director**

Place: Hyderabad

Date: May 29, 2017

**CERTIFICATION BY MANAGING DIRECTOR/CEO AND CFO**

I, the undersigned hereby certify to the Board that:

- A. I have reviewed Financial Statements and the Cash Flow Statement for the Financial Year 2016-17 ended on 31<sup>st</sup> March, 2017 and that to the best of my knowledge and belief:
1. these statements do not contain any false or materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of the Company's Code of Conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee that:-
1. there have been no significant changes in internal control over financial reporting during the year;
  2. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
  3. there have been no instances of significant fraud of which we have become aware of and there has been no involvement of any management person or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**(Rajesh Agarwal)****Chairman & Managing Director**

Place: Hyderabad

Date: May 29, 2017

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,

**The Members of BS Limited**

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance conditions of Corporate Governance of M/s. BS Limited for the year ended on March 31, 2017 as stipulated in Regulation 34 read with Schedule V Para E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, conducted in the manner described in the 'Guidance note on certification of Corporate Governance' issued by the Institute of Chartered Accountants of India was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For &amp; on behalf of

P. Murali &amp; Co.,

Chartered Accountants

Sd/-

P. Murali Mohana Rao

Partner

Membership No. 023412

Date : November 10, 2017

Place : Hyderabad

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
M/s BS LIMITED**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of **M/s BS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

### **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') with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, 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 (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

### **Auditor's 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 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 disclosures in the Standalone Ind AS Financial Statements. The procedures selected

depend on the auditor's 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 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:

### **Basis of Qualified Opinion:**

Attention is invited to:

- a) The Company has defaulted in repayment of dues to Banks/Financial Institutions during the current financial year. All loans outstanding were classified as NPA's by the banks during the current financial year. (Refer Note No.29 & 31).
- b) Provision for interest amounting to Rs. 90.90 Cr. and Rs. 10.62 Cr. on its Working Capital Loan and Term Loan respectively has not been made by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.101.52 Cr. in view of non provision of Interest amount.(Refer Note No.29 & 31). If the accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 509.67 Crores.
- c) The Company is not regular in payment of undisputed statutory dues during the current financial year amounting to Rs. 98,022,211 which includes TDS, TCS, Dividend Distribution Tax, Service Tax, Provident Fund, Employees State Insurance and Professional Tax.
- d) Since the Company has not obtained any technical/market evaluation for the inventory, we are unable to comment on the realizable value of the same, which may be lower than the amount at which it has been reflected in the balance sheet.
- e) The trade receivables could not be verified as confirmation of balances has not been received. However the company has provided provision for bad and doubtful debts for the year amounting to Rs. 188.53 Crores. The realisability of the trade receivables amounting to Rs.1,250.60 Crores which are outstanding more than one year is in doubt and company has not made any provision for in respect of these receivables which includes Trade Receivables which are considered in NCLT application for the financial year 2014-2015 & 2015-2016.
- f) In absence of technical and costing evaluation of current and non-current assets, impact of impairments, if any, on their economic value, we can't comment on the realizable value of same.

## INDEPENDENT AUDITOR'S REPORT

- g) This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to meet its financial obligation including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations.
- h) The Company has filed an application at Honorable National Company Law Tribunal (NCLT) Hyderabad bench, in compliance with section 131 of the Companies Act, 2013 and rules prescribed there under, seeking approval for revision of Financial Statements for the FY 2014-2015 and FY 2015-2016 to written off the outstanding trade receivables and loan & Advances given by the Company over two financial years aggregating to Rs. 110.55 Crores in the FY 2014-2015 and Rs. 103.61 Crores in the FY 2015-2016. The proceedings are pending before NCLT as on date. The company has not provided provision towards Trade receivables & Loans and advances in respect of the application made in NCLT for the financial year 2014-2015 & 2015-2016. (Refer to Note No.43)
- i) The company did not file the returns of Income Tax for the assessment years of 2015-16 and 2016-17 and self-assessment tax amounting to Rs. 26,79,98,355 and Rs. 35,35,45,760/- respectively were not paid and such status of payment will not hold good afterwards as due to account of application for revision of financials for these two years (F.Y.2014-15 and F.Y.2015-16) by the company under Sec. 131 of the Companies Act 2013 and which is pending for disposal with NCLT.

### Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph above*, 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 including the Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### 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.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under.
- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 other matters to be included in the Auditor's 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 pending litigations which would impact its financial position disclosed in notes to financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
  - iv. The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements (Note No. 41) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the Company.

**For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S**

**P.Murali Mohana Rao  
Partner  
Membership No. 023412**

**Place: Hyderabad  
Date: 29.05.2017**

## Annexure A to the Auditors Report

**Annexure referred to in Independent Auditors Report to the Members of M/s BS LIMITED on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is not reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are not adequate in relation to the size of the Company and the nature of its business.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties, covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examinations of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues except in few cases, including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) There were undisputed amounts payable amounting to Rs. 60,717,884/- in respect of Provident Fund, Service Tax, TCS, Dividend Distribution Tax and Professional Tax, in arrears as at 31st March 2017 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company

examined by us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes. But there is a disputed liability of Service Tax. The details are as follows:

Particulars	Amount Rs.	Forum Where it is pending
Service Tax	15,62,83,794	CBEC Commissoinarate II, Hyderabad

- viii. The company has defaulted in the repayment of loans taken from banks and financial institutions during the current financial year and no interest provision was made by the company on working capital loan amounting to Rs. 90.90 Crores and term loan amounting to Rs.10.62 Crores. These Loans have become NPA during the current financial year.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Companies Act 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 188 of the Act. The details of such related party transactions as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

**For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S**

**P.Murali Mohana Rao  
Partner  
Membership No. 023412**

**Place: Hyderabad  
Date: 29.05.2017**





## Annexure B to the Independent Auditor's Report

### Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of M/s BS LIMITED ('the company') as of 31<sup>st</sup> March 2017 in conjunction with our audit of 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 Act.

#### Auditor's 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 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. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the 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 and the company's internal financial control 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 Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

### Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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 does not have adequate internal financial controls system with respect to inventory over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31<sup>st</sup>, 2017, 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 P. Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S**

**P.Murali Mohana Rao  
Partner  
Membership No. 023412**

**Place: Hyderabad  
Date: 29.05.2017**

Balance Sheet as at 31<sup>st</sup> March 2017

(Amount In Rupees)

ASSETS	Note no.	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016
<b>Non-current assets</b>				
Property, plant and equipment	1	2,396,508,849	2,923,849,863	2,923,849,863
Capital work-in-progress	1	94,102,971	34,406,509	34,406,509
Intangible assets under development	1	294,501	323,094	323,094
Financial assets				
- Non-Current investments	2	544,105,417	544,105,417	544,105,417
- Long-term loans and advances	3	14,153,840	14,111,840	14,111,840
<b>Current assets</b>				
Inventories	4	964,407,893	2,209,702,096	2,214,517,944
Financial assets				
- Trade and other receivables	5	13,682,429,102	15,472,298,410	15,535,564,743
- Cash and cash equivalents	6	62,542,095	1,113,019,366	1,116,912,027
- Short term loans and advances	7	823,785,216	1,064,633,662	1,064,633,662
Other current assets	8	715,084,716	901,646,141	834,658,773
<b>TOTAL ASSETS</b>		<b>19,297,414,601</b>	<b>24,278,096,397</b>	<b>24,283,083,871</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	9	441,683,580	441,113,660	441,113,660
Other equity	10			
- Equity component of other financial instrument				
- Retained earnings		1,606,986,177	5,685,934,510	5,685,935,169
<b>Share application money pending allotment</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Long term borrowings	11	1,754,730,982	1,721,196,836	1,720,960,212
Long term provisions	12	11,606,309	12,739,622	12,739,622
Deferred tax liabilities (Net)	13	64,161,765	134,319,743	134,319,743
Other non-current liabilities	14	23,231,947	328,298,295	328,298,295
<b>Current liabilities</b>				
Financial liabilities				
- Short term borrowings	15	12,076,173,777	4,802,038,680	4,803,276,701
- Trade and other payables	16	1,202,915,370	8,258,857,954	8,264,275,272
Other current liabilities	17	1,207,703,284	1,781,338,898	1,780,535,003
Short-term provisions	18	908,221,409	1,112,258,201	1,111,630,195
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,297,414,601</b>	<b>24,278,096,398</b>	<b>24,283,083,871</b>

See accompanying notes to the financial statements

For P Murali &amp; Co

Chartered Accountants  
Firm Regd. No.: 007257S

For. BS Limited

Rajesh Agarwal

Managing Director

Arun Dogra

Whole Time Director

Dimple Kaul

Director

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 29.05.2017

Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2017

(Amount In Rupees)

Particulars	Note no.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	19	6,929,828,755	23,995,658,565
Other income	20	27,206,768	92,736,890
<b>Total revenue</b>		<b>6,957,035,523</b>	<b>24,088,395,455</b>
<b>Expenses</b>			
Cost of materials consumed	21	4,534,458,043	14,083,373,030
Purchase of stock-in-trade	22	-	2,651,367,349
Changes in inventories of finished goods, work in progress and stock-in-trade	23	1,020,111,184	52,823,383
Taxes Paid on Sales		135,856,417	167,832,183
Employee benefit expense	24	115,493,878	155,272,156
Other operating expenses	25	1,858,841,719	3,514,352,705
Administrative Expenses	26	108,974,026	149,549,014
Finance cost	27	921,384,987	1,726,043,537
Depreciation and amortisation expense	1	514,750,134	645,306,211
Other expense	28	1,898,498,172	21,991,971
<b>Total expenses</b>		<b>11,108,368,561</b>	<b>23,167,911,539</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(4,151,333,038)</b>	<b>920,483,916</b>
Exceptional items		-	-
<b>Profit/ (loss) before tax</b>		<b>(4,151,333,038)</b>	<b>920,483,916</b>
Tax expense		(70,157,978)	324,646,137
<b>Profit/ (loss) for the period from continuing operations</b>		<b>(4,081,175,060)</b>	<b>595,837,779</b>
<b>Profit/ (loss) from discontinued operations</b>		-	-
Tax expense of discontinued operations		-	-
<b>Profit/ (loss) from discounting operations (after tax)</b>		-	-
<b>Profit/ (loss) for the period</b>		<b>(4,081,175,060)</b>	<b>595,837,779</b>
<b>Other comprehensive income</b>		(336,488)	(2,096,457)
<b>Total comprehensive income for the period</b> <i>(Profit/ loss + other comprehensive income)</i>		<b>(4,081,511,548)</b>	<b>593,741,322</b>
<b>Earnings per equity share (for continuing operations)</b>			
a) Basic		-9.24	1.35
b) Diluted		-9.24	1.35
<b>Earnings per equity share (for discontinued operations)</b>			
a) Basic		-	-
b) Diluted		-	-
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
a) Basic		-9.24	1.35
b) Diluted		(9.24)	1.35

## See accompanying notes to the financial statements

## For P Murali &amp; Co

Chartered Accountants  
Firm Regd. No.: 007257S

For BS Limited

Rajesh Agarwal  
Managing Director

Arun Dogra  
Whole Time Director

Dimple Kaul  
Director

## P. Murali Mohana Rao

Partner  
M.No. 023412  
Place : Hyderabad  
Date : 29.05.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2017

Particulars	For the Year ended on 31.03.2017	For the Year ended on 31.03.2016
<b>A Cash Flow from Operating activities :</b>		
<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	(4,151,669,526)	918,387,459
Depreciation	514,750,134	645,306,211
Interest paid	859,056,154	1,549,836,333
Interest received	(25,788,683)	(79,052,614)
Loss on Sale of Fixed Assets	9,698,378	-
Profit on Sale of Assets / Investments	-	(573,037)
Bad Debts Written Off	1,885,410,741	-
<b>Operating Profit before working capital changes</b>	<b>(908,542,801)</b>	<b>3,033,904,352</b>
<b>Adjustments for :</b>		
Trade and Other Payables	(8,139,814,648)	2,263,638,186
Inventories	1,245,294,202	94,559,002
Trade receivables	(95,541,433)	(4,842,331,933)
Loan and advances	240,848,446	(35,825,241)
Other Assets	186,561,424	107,874,875
<b>Cash generated from operations</b>	<b>(7,471,194,811)</b>	<b>621,819,240</b>
Add: Income Tax paid		
Miscellaneous Expenditure		
<b>Net Cash flow from Operating activities (before &amp; after extraordinary items) " A "</b>	<b>(7,471,194,811)</b>	<b>621,819,240</b>
<b>B Net Cash from Investing activities :</b>		
( Purchase ) / Sale of fixed assets	(2,150,992)	(13,077,555)
Capital Work in Progress	(59,696,462)	(34,406,509)
Increase in Creditors for Capital Goods		
( Purchase ) / Sale of investments	-	-
Interest received	25,788,683	79,052,614
Sale of Fixed Assets	5,072,087	2,324,692
Sale of Investments	-	-
Long Term Loans and Advances	(42,000)	6,009,410
<b>Net cash flow from Investing activities " B "</b>	<b>(31,028,684)</b>	<b>39,902,652</b>
<b>C Cash Flow from Financing activities</b>		
Issue of Share Capital	3,133,135	7,080,560
Bank borrowings & Unsecured Loan	7,307,669,243	1,083,592,690
Dividend and Dividend Distribution Tax Paid	-	-
Interest paid	(859,056,154)	(1,549,836,333)
<b>Net Cash flow from Financing activities " C "</b>	<b>6,451,746,224</b>	<b>(459,163,083)</b>
<b>D Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>(1,050,477,271)</b>	<b>202,558,809</b>
Cash and Cash Equivalents at the beginning	1,113,019,366	910,460,556
Cash and Cash Equivalents at the end	62,542,094.93	1,113,019,366
(includes funds not available for use - Margin Money Rs. 4,33,45,065/- (Previous Year Rs. 83,85,92,275/-)		

See accompanying notes to the financial statements

For P Murali &amp; Co

Chartered Accountants

Firm Regd. No.: 007257S

For BS Limited

Rajesh Agarwal  
Managing DirectorArun Dogra  
Whole Time DirectorDimple Kaul  
Director

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 29.05.2017

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate Information:

BS Limited is a public listed company ( "the Company") incorporated and domiciled in India. The registered office of the Company is located at 504, 5<sup>th</sup> Floor , Trendset Towers, Road No. 2 , Banjara Hills, Hyderabad , Telangana – 500034.

The Company is primarily engaged in manufacturing of Tower and Tower Parts and Engineering, Procurement and construction business ( EPC) relating to projects and systems for power transmission , distribution and related activities.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

#### b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fairvalues at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

#### c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and

equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

#### Contingencies

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

#### Defined Benefit Plans

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and

its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

#### Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

**Intangibles**

Internal technical or user team assess the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

**d) Current Vs Non-current classifications**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it satisfies the below mentioned criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**e) Dividends**

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

**f) Revenue recognition**

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits

flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of Goods**

Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is considered fixed and generally title has passed.

**Insurance Claims**

Insurance claims are recognized on acceptance / receipt of the claim.

**Interest**

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Dividends**

Dividends are recognized in profit or loss only when the right to receive payment is established.

**g) Leases****As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are classified in the balance sheet based on their nature.

**Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

**h) Cost recognition**

Costs and expenses are recognized as and when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized in employee benefit expenses, depreciation and amortization and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

**i) Foreign currency transactions**
**i. Functional and Presentation Currency:**

The Company's functional and presentation currency is Indian National Rupee.

**ii. Initial Recognition:**

Foreign currency transactions are recorded in the presentation currency, by applying to the foreign currency amounts the exchange rate between the Presentation currency and the foreign currency at the date of the transaction.

**iii. Conversion on reporting date:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**iv. Exchange Differences:**

Exchange difference arising on the settlement of monetary items or on Presenting monetary items of Company at rates different from those at which they were initially recorded during the year or presented in previous financial statements are recognised as income or as expenses in the year in which they arise.

**j) Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**k) Financial instruments**

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

## 1. Financial Assets.

### i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### ii) Subsequent measurement:

#### Financial assets at amortised cost

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

#### Financial assets at fair value through other comprehensive income

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 on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

#### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

### iii. De-recognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when: a. The rights to receive cash flows from the asset have expired, or b. The Company has transferred its rights to receive

cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

### iv. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

## 2. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.



**i) Initial recognition and measurement:**

At initial recognition, all financial liabilities are recognized at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

**ii) Subsequent measurement:**
**a. Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss.

**b. Financial liabilities at amortised cost:**

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate.

The effective interest rate amortization is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

**iii. De-recognition:**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

**l) Inventories**

Bought Out materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on FIFO Basis.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of materials, cost of borrowings and other related overheads.

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

**m) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known

amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**n) Financial Guarantee Contracts:**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with original or modified terms of a debt instrument.

The Company measures any financial guarantee on initial recognition at their fair value.

Subsequently these contracts are measured at the higher of:

- the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- the amount initially recognized, less where appropriate, cumulative amount of income recognized in accordance with the principles of Ind AS 18.

**o) Property, plant and equipment**

Property, plant and equipment are stated at cost net of input tax credits, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and all attributable cost, to bring the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognizes transaction value as the cost.

An item of Property, Plant and Equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from property, plant and equipment and the carrying amount net of scrap value, if any is charged to Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognized as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings	Written Down Value	30 years
Plant and Machinery	Written Down Value	15 years
Factory Equipment	Written Down Value	15 years
Computer equipment	Written Down Value	3 years
Office equipments	Written Down Value	5 years
Furniture and fixtures	Written Down Value	10 years
Vehicles	Written Down Value	8 years

**p) Intangible assets**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortised over license period which equates the useful life ranging between 5-6 years on a Written Down basis.

**q) Impairment of Non-financial assets**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

**r) Employee benefits**

- Employee benefits are charged to the statement of Profit and Loss for the year .
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised

in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

**s) Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

**t) Borrowing Costs:**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**u) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM"). The board of directors of the company has identified the Chairman and Managing Director as the CODM.

**v) Provisions:**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value

of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

#### w) Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of

resources will be required to settle the obligation;

- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

#### x) Contingent Assets

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

#### y) Prior period items:

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

#### 3) Explanation of transition to Ind AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

#### Reconciliations between Previous GAAP and Ind AS

##### (i) Equity reconciliation

Particulars	Amount in Rs.	
	Standalone	tandalone
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Equity under Previous GAAP attributable to:</b>		
Foreign Currency Translation Reserve Transferred to Retained Earnings	-	-
Employee benefits -actuarial gain/loss	20,96,457	-
Expected credit loss on trade receivables and financial guarantees	-	-
Net gain/loss on foreign currency translation and transaction	-	-
Deferred tax adjustments	-	-
Proposed dividend and related distribution tax	-	-
Other comprehensive income (net of tax)	-	-
<b>Equity under Ind AS</b>		

##### (ii) Total comprehensive income reconciliation

Particulars	Amount in Rs.	
	Profit Reconciliation	Standalone
	Year ended 31 <sup>st</sup> March, 2016	
<b>Net income under Previous GAAP attributable to:</b>	59,37,41,322	
<b>Effect of transition to Ind AS on statement of profit and loss:</b>		
Provision for expected credit loss		
Reversal of exchange gain/(loss) on foreign currency borrowings from FCTR		
Actuarial gains/(loss) recognized in other comprehensive income	(20,96,457)	
Deferred taxes on above Ind AS Adjustments		
<b>Total adjustments</b>	<b>20,96,457</b>	
<b>Net profit for the period under Ind AS (A+B)</b>	<b>59,58,37,779</b>	
<b>Total other comprehensive income (net of tax)</b>	<b>(20,96,457)</b>	
<b>Total comprehensive income under Ind AS</b>	<b>59,37,41,322</b>	

## NOTE NUMBERS TO BALANCE SHEET

Sl. No.	Particulars	Gross Block		Depreciation/Amortization							Net Block as on 31.03.2016
		As on 01.04.2016	As on 31.03.2017	Dep. As on 01.04.2016	Dep. For the year 2016-2017	Accumulated Depreciation on Sale of Asset	Total Depreciation as on 31.03.2017	Net Block as on 31.03.2017			
1	LAND	62,927,860	62,927,860	-	-	-	-	-	-	62,927,860	62,927,860
2	BUILDING	964,209,532	964,209,532	377,788,127	58,989,377	58,989,377	-	436,777,504	527,432,028	586,421,405	
3	PLANT & MACHINERY	3,704,901,238	3,664,744,821	1,491,609,864	430,562,899	25,385,952	1,896,786,811	1,767,958,010	1,767,958,010	2,213,291,374	
4	ELECTRICAL EQUIPMENT	8,947,404	8,947,404	7,388,234	469,380	-	7,857,614	1,089,790	1,089,790	1,559,170	
5	PROJECT EQUIPMENT	118,329,516	120,034,326	81,238,074	17,284,437	-	98,522,511	21,511,815	21,511,815	37,091,442	
6	OFFICE EQUIPMENT	7,921,307	8,101,807	6,134,907	743,296	-	6,878,203	1,223,604	1,223,604	1,786,400	
7	COMPUTERS	2,822,779	3,032,901	2,596,359	205,424	-	2,801,783	231,118	231,118	226,420	
8	FURNITURE	12,824,278	12,824,278	8,682,284	1,216,664	-	9,898,948	2,925,330	2,925,330	4,141,994	
9	VEHICLES	36,918,586	36,974,146	20,514,788	5,250,064	-	25,764,852	11,209,294	11,209,294	16,403,798	
10	INTANGIBLE FIXED ASSETS - COMPUTER SOFTWARE	7,762,652	7,762,652	7,439,558	28,593,000	-	7,468,151	294,501	294,501	323,094	
11	CAPITAL WORK IN PROGRESS	34,406,509	94,102,971	-	-	-	-	-	94,102,971	34,406,509	
	<b>TOTAL</b>	<b>4,961,971,661</b>	<b>4,983,682,688</b>	<b>2,003,392,195</b>	<b>514,750,134</b>	<b>25,385,952</b>	<b>2,492,756,377</b>	<b>2,490,906,321</b>	<b>2,958,579,466</b>	<b>2,958,579,466</b>	
	Previous Year	<b>4,916,826,854</b>	<b>4,961,971,661</b>	<b>1,358,673,586</b>	<b>645,306,211</b>	<b>587,602</b>	<b>2,003,392,195</b>	<b>2,958,579,466</b>	<b>3,558,153,268</b>	<b>3,558,153,268</b>	

## NOTE NUMBERS TO BALANCE SHEET

**NOTE NO. 2 : NON- CURRENT INVESTMENTS**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Non- Current Assets		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	BS Global Resources Pte Ltd	265,469,429	265,469,429
	BS LTD FZE	6,535,169	6,535,169
	2) Trade Investments		
	a) Investment Property - Land at Cherapally	5,460,820	5,460,820
	3) Other non- current Investments		
	Investment in Joint Venture ( Raichur Sholapur Transmission Company Limited)	266,640,000	266,640,000
	<b>Total Non Current Investments</b>	<b><u>544,105,417</u></b>	<b><u>544,105,417</u></b>

**NOTE NO. 3 : LONG TERM LOANS AND ADVANCES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Long - Term Loans and Advances:		
	a) Security Deposit		
	Secured	-	-
	Unsecured	14,153,840	14,111,840
	( Security deposit consist of Sales Tax Deposit , Electricity deposit , Rent Deposit , Tender deposit and deposit with suppliers )		
	<b>Total Long Term Loans &amp; Advances</b>	<b><u>14,153,840</u></b>	<b><u>14,111,840</u></b>

**NOTE NO. 4 : INVENTORIES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Inventories :		
	a) Raw materials		
	Billet & Steel	329,747,894	498,616,702
	Zinc	24,539,296	22,852,450
	Furnace Oil	86,305	86,305
	Sub Total	<b><u>354,373,495</u></b>	<b><u>521,555,458</u></b>
	b) Work - in - progress		
	EPC Work In Progress	42,000,000	99,500,000
	Sub Total	<b><u>42,000,000</u></b>	<b><u>99,500,000</u></b>
	c) Finished goods		
	Tower and Tower parts	235,544,124	388,043,361
	Scrap	4,225,357	8,198,112
	Sub Total	<b><u>239,769,481</u></b>	<b><u>396,241,473</u></b>
	d) Stock - at - Site		
	Bought Out Items	322,560,295	1,186,199,487
	Sub Total	<b><u>322,560,295</u></b>	<b><u>1,186,199,487</u></b>
	e) Stores and spares		
		5,704,623	6,205,678
	Sub Total	<b><u>5,704,623</u></b>	<b><u>6,205,678</u></b>
	<b>Total Inventories</b>	<b><u>964,407,893</u></b>	<b><u>2,209,702,096</u></b>

**NOTE NO. 5 : TRADE RECEIVABLES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	13,211,624,941	2,564,699,493
	Doubtful	-	-
		13,211,624,941	2,564,699,493
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	470,804,161	12,907,598,917
	Doubtful	-	-
		470,804,161	12,907,598,917
	Total Trade Receivable ( Gross)	13,682,429,102	15,472,298,410
	<b>Total Trade Receivables(net)</b>	<b>13,682,429,102</b>	<b>15,472,298,410</b>

**NOTE NO. 6 : CASH AND BANK BALANCES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	16,753,962	70,994,099
	2) Un Paid Dividend Account	332,234	332,589
	3) On Margin Money Deposit Accounts	43,345,065	1,040,278,675
	b) Cash on hand	2,110,834	1,414,003
	<b>Total Cash and Cash Equivalents</b>	<b>62,542,095</b>	<b>1,113,019,366</b>

**NOTE NO. 7 : SHORT TERM LOANS AND ADVANCES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Short - Term Loans and Advances:		
	a) Capital Advance		
	Unsecured	20,452,708	23,585,214
	b) Other loans And advances		
	Unsecured	803,332,508	1,041,048,448
	(Loans and advances consist of mobilisation advance to contactors ,advance to supplier and Travel advance to employees )		
	<b>Total Short Term Loans &amp; Advances</b>	<b>823,785,216</b>	<b>1,064,633,662</b>

**NOTE NO.8 : OTHER CURRENT ASSETS**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Unbilled revenue	701,928,112	734,900,824
	Prepaid Expenses	11,647,179	103,985,643
	Interest Accrued on Deposits	1,509,426	62,759,674
		<b>715,084,716</b>	<b>901,646,141</b>

**NOTE NO. 9 : SHARE CAPITAL**

S. NO.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
a	Equity Share Capital		
	(a) Authorised	<u>500,000,000</u>	<u>500,000,000</u>
	C.Y 50,00,00,000 ( P.Y. 50,00,00,000) shares of Re.1/- each		
	(b) Issued	<u>441,683,580</u>	<u>441,113,660</u>
	C.Y 44,16,83,580 shares of Re.1/- each ( P.Y. 44,11,13,660 of Re. 1/- each)		
	(c) Subscribed & Fully Paid Up	441,683,580	441,113,660
	C.Y 44,16,83,580 shares of Re.1/- each ( P.Y. 44,11,13,660 of Re. 1/- each)		
	(d) Subscribed & not fully paid up	-	-
	(e) Par value per share Re. 1	-	-
	Total Equity Share Capital	<u>441,683,580</u>	<u>441,113,660</u>
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	Number of Shares
	Equity Shares of Re.1 Each, Fully paid up :		
	At the Beginning	441,113,660	439,825,700
	Issued during the year - Bonus Issue	284,960	643,980
	Issued during the year - ESOP	284,960	643,980
	At the end	441,683,580	441,113,660
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	
	Equity Shares of Re.1 each Held By		
	Rajesh S Agrawal C.Y 22,87,04,480 of Re. 1/- each (P.Y 27,88,94,773 of Rs. 1/- each)	51.78	63.23

**NOTE NO. 10 : OTHER EQUITY**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Other Equity		
	a) Securities Premium Reserve		
	As at the commencement of the year	2,005,098,029	1,998,661,449
	Add: Additions during the year	2,848,175	6,436,580
	Less: Utilised during the year	-	-
		2,007,946,204	2,005,098,029
	b) Bonus to Share Holders	28,490	313,450
	c) Surplus :		
	i) Opening Balance	3,680,523,031	3,086,248,379
	Add: Total comprehensive income during the year	(4,081,511,548)	593,741,322
	Less: Bonus shares / ( Forfeiture of Bonus shares)	-	(533,330)
		(400,988,518)	3,680,523,031
	Total Reserves and Surplus	<u>1,606,986,177</u>	<u>5,685,934,510</u>

**NOTE NO. 11 : LONG TERM BORROWINGS**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured - ( Refer Note No 29a )	197,314,856	375,241,310
	From Financial Institutions :		
	Secured - ( Refer Note No 29b )	821,223,886	763,046,164
	Unsecured - ( Refer Note No 29c )	-	6,492,132
	b) Loans and advances from related parties		
	Un Secured:		
	Unsecured - ( Refer Note No.29d )	736,192,240	576,417,230
	Total Long Term Borrowings	<u>1,754,730,982</u>	<u>1,721,196,836</u>

**NOTE NO. 12 : LONG TERM PROVISIONS**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	a) Provisions for employee benefits		
	- Provision for Gratuity - (Refer Note No.30 )	6,284,008	6,606,155
	- Provision for Leave Encashment - ( Refer Note No. 30)	5,322,301	6,133,467
	<b>Total Long Term Provisions</b>	<b>11,606,309</b>	<b>12,739,622</b>

**NOTE NO. 13 : DEFERRED TAX LIABILITY ( NET )**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Opening Deferred tax Liability	139,662,515	219,555,948
	Add:		
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	(70,971,193)	(79,893,433)
	Deferred Tax Liability for the year ( Due to Others )		
	Gross Deferred tax Liability	68,691,322	139,662,515
	Opening Deferred tax Asset	5,342,772	5,230,974
	Provision for Gratuity and Compensated Absences and doubtful debt	(813,215)	111,798
	Gross Deferred tax Asset	4,529,557	5,342,772
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>64,161,765</b>	<b>134,319,743</b>

**NOTE NO. 14 : OTHER LONG TERM LIABILITES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
	a) Trade Payables & Others		
	- Advance from Customers	23,231,947	328,298,295
	<b>Total other long term liabilities</b>	<b>23,231,947</b>	<b>328,298,295</b>

**NOTE NO. 15 : SHORT TERM BORROWINGS.**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured - ( Refer Note No. 31)	11,981,670,458	4,749,311,695
	From other parties		
	Secured	-	-
	Unsecured	-	-
	b) Loans and advances from other parties		
	Unsecured -( Refer Note No. 31 )	4,600,100	12,800,101
	c) Loans and advances from Related parties		
	Unsecured	89,903,219	39,926,884
	<b>Total Short Term Borrowings</b>	<b>12,076,173,777</b>	<b>4,802,038,680</b>



**NOTE NO. 16 : TRADE PAYABLES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		<b>Rupees</b>	<b>Rupees</b>
I	a) Trade Payables	1,202,915,370	8,258,857,954
	<b>Total Trade Payables</b>	<b><u>1,202,915,370</u></b>	<b><u>8,258,857,954</u></b>

**NOTE NO. 17 : OTHER CURRENT LIABILITIES**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		<b>Rupees</b>	<b>Rupees</b>
I	a) Current maturities of Long Term Debts	1,047,838,774	1,087,598,321
	b) Interest accrued but not due on borrowings	8,764,509	19,963,173
	c) Income received in advance.	139,775,301	667,800,159
	d) Unpaid dividend.	332,234	332,589
	e) Other Payables	10,992,466	5,644,656
	<b>Total Other Current Liabilities</b>	<b><u>1,207,703,284</u></b>	<b><u>1,781,338,898</u></b>

**NOTE NO. 18 : SHORT TERM PROVISIONS**

S. No.	Particulars	As on 31.03.2017	As on 31.03.2016
		<b>Rupees</b>	<b>Rupees</b>
I	a) Provisions for employee benefits		
	PF Payable	7,018,005	1,775,820
	Salaries Payable	22,904,570	16,218,174
	Provision for Gratuity - ( Refer Note No. 30 )	1,024,081	991,329
	Provision for Leave Encashment - ( Refer Note No. 30 )	1,524,477	1,707,017
	b) Others		-
	Statutory Liabilities	789,877,183	890,157,146
	Provision for Expenses	85,873,094	201,408,715
	<b>Total Short Term Provisions</b>	<b><u>908,221,409</u></b>	<b><u>1,112,258,201</u></b>

**NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS**
**NOTE NO. 19 : REVENUE FROM OPERATIONS**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		<b>Rupees</b>	<b>Rupees</b>
I	Revenue from operations in respect of non-finance company		
	(a) Sale of Products	4,516,038,961	10,364,434,096
	(b) Sale of Services	2,277,933,377	13,463,392,286
	(c) Other Operating Revenues	-	-
	(d) Excise Duties	135,856,417	167,832,183
	<b>Total Revenue from Operations</b>	<b><u>6,929,828,755</u></b>	<b><u>23,995,658,565</u></b>

**NOTE NO. 20 : OTHER INCOME**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		<b>Rupees</b>	<b>Rupees</b>
I	(a) Interest income	25,788,683	79,052,614
	(b) Net Gain on sale of Investments / Assets	-	573,037
	(c) Other non-operating income (net of expenses directly attributed to such income)	1,418,085	670,124
	(d) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	12,441,115
	<b>Total Other Income</b>	<b><u>27,206,768</u></b>	<b><u>92,736,890</u></b>

**NOTE NO. 21 : COST OF MATERIALS CONSUMED**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
I	Billets & Steel	4,375,369,679	13,934,368,267
	Zinc	98,737,811	82,613,274
	Furnace Oil & Coal	47,491,121	49,705,474
	Stores & Consumables	12,859,432	16,686,016
	<b>Total Cost Of Material Consumed</b>	<b>4,534,458,043</b>	<b>14,083,373,030</b>

**NOTE NO. 22 : PURCHASE OF STOCK IN TRADE**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
I	Coal	-	2,651,367,349
	<b>Total Trade Purchases</b>	<b>-</b>	<b>2,651,367,349</b>

**NOTE NO. 23 : CHANGE IN INVENTORIES & WIP.**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	396,241,473	611,172,245
	Less : Finished goods at the end of the year	239,769,481	396,241,473
	Sub Total (A)	<b>156,471,992</b>	<b>214,930,773</b>
	Stock at Site		
	Stock in Site at the beginning of the year	1,186,199,487	1,024,092,098
	Less : Stock in Site at the end of the year	322,560,295	1,186,199,487
	Sub Total ( B)	<b>863,639,192</b>	<b>(162,107,389)</b>
	<b>(Increase) / Decrease in Inventories (A+B)</b>	<b>1,020,111,184</b>	<b>52,823,383</b>

**NOTE NO. 24 : EMPLOYEE BENEFIT EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
I	(a) Salaries & Wages	105,319,738	142,824,952
	(b) Contribution to Provident & Other Funds	6,013,953	7,347,041
	(c) Staff Welfare Expenses	4,160,187	5,100,163
	<b>Total Employee Benefit Expenses</b>	<b>115,493,878</b>	<b>155,272,156</b>

**NOTE NO. 25 : OTHER OPERATING EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
I	(a) Sub Contracting Charges	1,621,064,030	3,319,814,438
	(b) Power & Fuel	36,757,503	40,192,491
	(c) Rent	13,662,208	15,733,326
	(d) Repairs to Building	199,794	178,230
	(e) Repairs to Machinery	321,823	2,891,549
	(f) Insurance	9,325,940	9,813,143
	(g) Rates & Taxes (excluding Income Tax)	4,591,717	11,523,576
	(h) Miscellaneous Expenditure	-	-
	Freight and Transportation Expenses	85,732,551	60,536,593
	Travelling Expenses	29,055,051	26,888,450
	Misc. Project Expenses	178,049	534,215
	Row Clearance Expenditure	426,650	862,503

**NOTE NO. 25 : OTHER OPERATING EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	Tender Fee	124,913	2,781,047
	Commission & Brokerage Paid	-	22,000
	Rebates and Discounts	1,831,483	22,003,716
	(i) Net loss on foreign currency transaction and translation	54,997,508	-
	(i) Payment to Auditors:		
	(i) As Auditor	372,500	377,427
	(ii) For Taxation Matters	100,000	100,000
	(iii) For Other Services	100,000	100,000
	<b>Total Other Expenses</b>	<b>1,858,841,719</b>	<b>3,514,352,705</b>

**NOTE NO. 26 : ADMINSTRATIVE EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
I	(a) Telephone, Postage and Others	2,264,684	2,794,273
	(b) Business Promotion Expenses	3,078,700	8,693,237
	(c) Conveyance	3,284,870	2,936,365
	(d) Office Maintenance	4,761,322	4,841,901
	(e) Printing & Stationery Expenses	1,152,036	1,796,125
	(f) Security Charges	27,060,103	24,465,782
	(g) Managerial Remuneration	1,200,000	9,681,588
	(h) Consultancy Charges	27,937,955	27,963,975
	(i) Professional Consultancy fee	31,510,949	63,020,566
	(j) Director Sitting Fee	560,000	400,000
	(k) Interest on taxes Payable	6,163,407	2,955,202
	<b>Total Administrative Expenses</b>	<b>108,974,026</b>	<b>149,549,014</b>

**NOTE NO. 27 : FINANCE COST**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
	(a) Interest Expenses :		
	- Interest on Cash Credit	427,536,460	694,652,483
	- Interest on Car Loan	777,579	1,257,399
	- Interest on Term Loan	47,207,420	141,466,803
	- Loan Processing Charges & Bank Charges	15,121,413	34,740,401
	(b) Other Borrowing costs	430,742,116	853,926,452
	<b>Total Finance Cost</b>	<b>921,384,987</b>	<b>1,726,043,537</b>

**NOTE NO. 28 : OTHER EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
		Rupees	Rupees
	Misc. Expenses	619,000	686,300
	Membership and Subscription	200,063	252,447
	General Expenses	1,243,497	496,305
	Guest House Expenses	1,091,401	1,091,209
	Vehicle Maintenance	125,146	165,110
	CSR Expenses	109,946	19,300,600
	Provision for Bad and Doubtful Debts	1,885,410,741	-
	Loss On Sale of Fixed Assets / Investment	9,698,378	-
	<b>Total Other Expenses</b>	<b>1,898,498,172</b>	<b>21,991,971</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 29. LONG TERM BORROWINGS

#### a) Term Loans from Banks - Secured

##### i) Term Loans from **Bank of India** is secured by:

- First equitable mortgage and charge (**on Pari-passu basis with IFCI Limited**) on all fixed assets, both present and future of the company- situated at Survey No. 82, 83, 92 – 95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist, Telangana & at **Survey No. 41 & 42/AA, Majeedpally village, Toopran Mandal, Medak district, Telangana.**

The above Term Loan is further **collaterally** secured by:

- Second pari-passu charge on entire current assets of the company.
- Pledge of equity shares (**9,09,98,850**) of promoters holding as collateral security ranking pari-passu along with WC consortium of banks
- Personal guarantees of Shri Rajesh Agarwal (Managing Director) and Mr. Dilip Satyanarayan Agarwal
- Interest Rate is 12.70% p.a. and repayable between 2013 and 2017

##### ii) **Corporate Loan from SBH and SBT and Laxmi Vilas Bank** is secured by:

- Pari-passu first charge on current assets of the Company along with other working capital bankers lenders & is further **collaterally** secured by
- Second pari passu charge on the fixed assets of the company along with the existing corporate loan lenders and working capital consortium bankers.
- Personal guarantees of Shri Rajesh Agarwal (Managing Director) and Mr. Dilip Satyanarayan Agarwal Interest Rate is Ranging between 12.50% p.a. to 13.25% p.a. and repayable between 2013 and 2018

##### iii) **Other Term Loans taken against mortgage of underlying Asset :**

- Car Loan taken from ICICI Bank Ltd is secured by the underlying asset (Car Make: Audi).
- Car Loan taken from ICICI Bank Ltd is secured by the underlying asset (Car Make: Maruti Ertiga).
- Car Loan taken from Axis Bank Ltd is secured by the underlying asset (Car Make: Mahindra Verito).
- Car Loan taken from Axis Bank Ltd is secured by the underlying asset (Car Make: Maruti Swift).

Interest Rate is Ranging between 10% to 12% and repayable between 2013 and 2019

#### b) Term Loans from Financial Institutions – Secured

##### i) **Term loan from BMW India Financial Services Pvt Ltd**

- Car Loan taken from BMW India Financial Services Pvt Ltd is secured by the underlying asset ( Car Make : Mercedes GLA 200)
- Car Loan taken from BMW India Financial Services Pvt Ltd is secured by the underlying asset ( Car Make : BMW Mini Cooper)

Interest Rate is Ranging between 10% to 12% and repayable between 2014 and 2017

##### ii) **Term Loan from IFCI Limited** is secured by way of:

- First equitable mortgage and charge (**on Pari-passu basis with Bank of India**) on all fixed assets, both present and future of the company, situated at Survey No. 82, 83, 92 – 95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist, Telangana & situated at **Survey No. 41 & 42/AA, Majeedpally village, Toopran Mandal, Medak district, Telangana**
  - Personal guarantee of Shri Rajesh Agarwal (Managing Director) of the company
- Interest rate is 14.60% p.a.
- The company has defaulted in repayment of Loan instalments and has received Notice u/s 13(2) of SARFAESI Act 2002 dated 03<sup>rd</sup> March 2017 from IFCI Limited
  - During the current financial year IFCI Limited has sold 5,25,77,293 number of shares pledged by Mr. Rajesh Agarwal amounting to Rs. 14,90,30,095/- towards recovery of Loan

##### iii) **Short Term Loan from IFCI Venture Capital Funds Limited** is taken against - Unsecured:

- Pledge of equity shares of promoters holding 20,51,520
  - Personal guarantee of Shri Rajesh Agarwal (Managing Director) of the company
- Interest Rate is at 16% p.a. and repayable between 2013 and 2016
- During the current financial year IFCI Venture Capital Funds Limited has sold 1,82,42,832 number of shares pledged by Mr. Rajesh Agarwal amounting to Rs. 8,11,14,609/- towards recovery of Loan .

With respect to the above term loan accounts being classified as NPA by the Lending banks and financial institutions and hence the provision for interest amounting to Rs. 10.62 Cr. as per the details given below has not been made by the Company on its Term Loans . The loss of the Company has been understated by Rs.10.62 Cr. in view of non provision of Interest amount for the financial year 2016-17.

S no	Name of the Bank	Amount in Cr	
		31.03.2017	31.03.2016
1	Bank of India	3.60	-
2	State Bank of Hyderabad	1.33	-
3	State Bank of Travancore	0.91	-
4	IFCI Ltd	4.78	-
5	<b>Total</b>	<b>10.62</b>	<b>-</b>

**c) Loans and advances from Related Parties - Unsecured**

Unsecured Loans and advances taken from Related Parties

	31.03.2017	31.03.2016
Name of Party	Amount	Amount
Rajesh Agarwal	73,61,92,240	57,64,17,230

**30. Defined Benefit Plan**

The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by an Independent Actuary.

Particulars	Gratuity (Rs.)		Compensated absences (Rs.)	
	2016-17	2015-16	2016-17	2015-16
Present Value of Funded Obligation	-	-	-	-
Fair Value of Plan Assets	-	-	-	-
Present Value of Unfunded Obligation	73,08,089	75,97,484	68,46,778	79,47,017
Unrecognized past service Cost	-	-	-	-
Amount not recognised as an Asset ( limit in Para 59(b) )	-	-	-	-
Net Liability	73,08,089	75,97,484	68,46,778	79,47,017
<u>Amounts in Balance Sheet</u>	-	-	-	-
Liability	10,24,081	9,91,329	15,24,477	17,07,017
Assets	62,84,008	66,06,155	53,22,301	62,40,000
Net Liability is bifurcated as follows :	73,08,089	75,97,484	68,46,778	79,47,017
Current				
Non Current				
Net Liability				
<b>Component of Employer's Expense</b>				
Current service cost				
Interest on Defined Benefit Obligation	17,76,434	26,02,725	-	-
Expected return on Plan Assets	5,36,187	5,73,425	-	-
Net Actuarial Loss / (IGains) recognized in year	-	-	-	-
Past service cost	-	-	-	-
Losses / ( Gains) on Curtailments and Settlements	-	-	-	-
Losses / ( Gains) on Acquisition / Divestiture	-	-	-	-
	-	-	-	-
<b>Total Included In Employee Benefit Expense</b>	<b>23,12,621</b>	<b>31,76,150</b>	<b>1,63,100</b>	<b>15,11,854</b>
<b>Amount recognized in Other Comprehensive Income</b>				
Opening amount recognized in OCI outside Profit & Loss Account	(25,91,547)	-		
	37,411	2,84,967		
Remeasurements during the period due to financial assumption	-	-		
demographic assumption	(18,50,444)	(28,76,514)		
Experience adjustments	-	-		
Actual return on Plan Assets less interest on plan assets	(44,04,580)	(25,91,547)		
Adjustment to recognize the effect of asset ceiling				
Closing amount recognized in OCI outside Profit & Loss Account				

Particulars	Gratuity (Rs.)		Compensated absences (Rs.)	
	2016-17	2015-16	2016-17	2015-16
<b>Movement in the Net Liability recognized in the Balance Sheet</b>				
Opening Defined Benefit Obligation	75,97,484	74,95,593	79,47,107	76,19,334
Current Service Cost	17,76,434	26,02,725	(1,63,100)	15,11,854
Past Service Cost	-	-	-	-
Interest on defined benefit Obligation	5,36,187	5,73,425	-	-
Remeasurements Due to	37,411	2,84,,967	-	-
Actuarial loss/ (gain) arising from change in financial assumption	(18,50,444)	(28,76,514)	-	-
Actuarial loss/ (gain) arising from change in Demographic assumption	(7,88,983)	(4,82,712)	(9,37,229)	(11,84,171)
Actuarial loss/ (gain) arising on account of Experience changes	73,08,089	75,97,484	68,46,778	79,47,017
Benefits Paid				
Liabilities assumed /( settled)				
Liabilities extinguished on settlements				
Closing of defined benefit Obligation				
<b>(D) Actuarial Assumptions</b>				
Discount Rate ( Per annum )	7.50%	7.55%	7.50%	7.55%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected Rate of return on Plan Asset ( per annum )	0.00%	0.00%	0.00%	0.00%
Salary Escalation rate (Per Annum)	7.00%	7.00%	7.00%	7.00%
Valuation Method	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method

Note : The company has recognized the current service cost of Gratuity and Leave encashment in Other comprehensive income itself and the Gross amount is shown under Other comprehensive income

### 31. SHORT TERM BORROWINGS

#### i) Working Capital Loans - Secured

Working Capital loans from (i) Syndicate Bank, (ii) Punjab National Bank, (iii) State Bank of India, (iv) State Bank of Mysore ,(v) State Bank of Hyderabad, (vi) State Bank of Travancore , (vii) State Bank of Bikaner and Jaipur, (viii) United Bank of India, (ix) IDBI Bank , (x) Lakshmi Vilas Bank (xi) Bank of India and (xii) Bank of Maharashtra is under a working capital consortium with State Bank of India being the consortium Leader.

The working capital loans are secured by first pari-passu charge on stocks, receivables, spares, consumables and other current assets of the Company, present and future along with corporate loan lenders namely State Bank of Hyderabad, State Bank of Travancore and Lakshmi Vilas Bank.

(1) Collateral security of equitable mortgage of properties on pari-passu basis with other WC bankers

- Situated at Plot No. 42 (part) in Survey

No. 258/1 & 259 situated at Jeedimetla Industrial Area, Shapur Nagar, RR District, AP admeasuring appx 22,439.26 sq. yrds in the name of M/s Agarwal Developers

- Open agriculture land admeasuring Ac. 3.10 gnts in survey situated at Survey No. 119, 120, 121, 122 & 124 Athvelly Village, Medchal Mandal, Ranga Reddy District belonging to M/s BS Limited ( Formerly Known As : B S Transcomm Ltd ) and Mr. Rajesh Agarwal
- Residential Flat No: 103, 2nd Floor Block "D" Trendset Valley View Apartments at Banjara Hills Road Number 6 Hyderabad in the name of Mr Rajesh Agarwal.
- All the office premises bearing Unit No. 302 with 3,702 sq., ft carpet area on the 3rd floor of the building no. 19 (A Wing), Pinnacle Corporate Park, along with 3 (Three) Car Parking spaces in Stack Car Parking system in the Basement floor of the said building constructed on land bearing CTS NO. 4207 (part) of Village Kole Kalian, Taluka Andheri

in the Registration Sub District of Bandra, District Bombay Suburban within the Municipal Corporation of Greater Mumbai.

- (2) The above Working Capital loans are further secured by Pari passu second charge on the entire fixed assets of our Company, both present and future along with corporate loan lenders namely State Bank of Hyderabad, State Bank of Travancore and Lakshmi Vilas Bank.
- (3) All Working Capital Loans are further secured by:
- Pledge of equity shares (9,09,98,850) of promoters holding as collateral security ranking paripasu among Term lenders and WC consortium of banks
  - Pledge of equity shares (3,03,32,950) of promoters holding as additional collateral security ranking paripasu among WC consortium of banks
  - Corporate guarantee of i-Vantage India Private Ltd , M/s Agarwal Reality Developers Pvt. Ltd and Agarwal Developers
  - Personal guarantees of Shri Rajesh Agarwal (Managing Director), and Mr. Dilip Satyanarayan Agarwal

Interest Rate is Ranging between 11% to 12.75% and repayable on demand

With respect to the above working capital loan accounts being classified as NPA by the Lending banks and financial institutions and hence the provision for interest amounting to Rs. 90.90 Cr. as per the details given below has not been made by the Company on its Term Loans . The loss of the Company has been understated by Rs.90.90 Cr. in view of non provision of Interest amount for the financial year 2016-17

Sno	Name of the Bank	Amount in Cr	
		31.03.2017	31.03.2016
1	State Bank of India	17.42	-
2	State Bank of Hyderabad	11.85	-
3	State Bank of Bikaner and Jaipur	4.17	-
4	State Bank of Mysore	7.30	-
5	State Bank of Travancore	9.77	-
6	Punjab National Bank	14.50	-
7	United Bank of India	2.82	-
8	Bank of Maharashtra	5.42	-
9	Bank of India	17.64	-
10	<b>Total</b>	<b>90.90</b>	<b>-</b>

The company has defaulted in repayment of Loans and Notice u/s 13(2) of SARFAESI Act 2002 from various lending banks has been received as per the details given below

Sl. No.	Name of the bank	Date of SARFAESI Notice
1	State Bank of Mysore	03/01/2017
2	Punjab National Bank	04/01/2017
3	State Bank of India	13/03/2017
4	State Bank of Travancore	10/02/2017
5	State Bank of Hyderabad	24/03/2017
6	IDBI Bank Limited	19/04/2017
7	Syndicate Bank	06/03/2017
8	United Bank of India	13/02/2017
9	Bank of Maharashtra	20/02/2017

ii) **Short Term Loan from Others**

Loan from Sai Baba Investment & Finance Pvt Ltd are unsecured

Interest Rate is Ranging between 12% to 15% and repayable on demand

iii) **Unsecured Loans and advances taken from Related Parties**

	31.03.2017	31.03.2016
Name of Party	Amount in Rs	Amount in Rs
BS Global Resources Pvt Ltd	8,99,03,219	3,99,26,885

**32. Contingent Liabilities not provided for**

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
i) Bills Discounted with banks	NIL	NIL
ii) Bank Guarantees given by Banks	107,99,56,442*	169,91,45,574*
iii) Claims contested by the company	5,00,000	5,00,000
iv) Corporate Guarantee Given to Banks on account of subsidiaries	181,31,59,088**	178,73,14,256**

\*BGs taken for Release of Advance Money , Retention Money and as security for procurement of Raw Material are not considered under contingent liabilities as the same are already grouped under Other Liabilities and Trade Payables.

\*\*Corporate Guarantee of USD 1,95,40,000 ( Previous Year 80,00,000) is offered to United Overseas Bank, Singapore and ANZ Banking Group Limited Bank ,Singapore for the limits granted to BS Global Resources Pte Ltd ( 100% Step Down Subsidiary of BS Limited) and USD 75,00,000 is offered to National Bank of Fujairah PJSC, Dubai for the limits granted to BS Limited FZE ( 100% Step Down Subsidiary of BS Limited). 1 USD = Rs. 67.0547 ( Previous Year 1 USD = Rs. 66.0989)

During the current financial year the company has entered into merchant trading transactions and purchased material from party however as the customer has rejected to lift the material the said material is kept in warehouses at the ports. In this regards the company is in discussion with the supplier to take back the material supplied by them and hence the same was not recorded as purchases by the company due to pending discussion with the suppliers. The company has a contingent liability to the extent of Rs. 16,76,36,750 ( USD 25,00,000) towards the supplier which is required to be paid in case the material is left unsold / not taken back by supplier.

#### 34. Particulars of Managerial Remuneration (in Rupees)

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	Chairman & Managing Director	Managing Director	Whole-time Director	Chairman & Managing Director	Managing Director	Whole-time Director
Salary/ Commission	-	-	12,00,000	48,00,000	36,81,588	12,00,000
Perquisites & other benefits	-	-	-	-	-	-
PF & other funds	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,00,000</b>	<b>48,00,000</b>	<b>36,81,588</b>	<b>6,31,717</b>

\*\* Mr. Kamesh Yalamarty was appointed as the Managing director of the company w.e.f 12 August 2015 and resigned on 18 March 2016.

#### 35. Related Party Disclosures:

##### I) List of Related parties with whom transactions have taken place and nature of relationship:

- i) Subsidiary : BS Global Resources Private Ltd  
: BS Limited FZE
- ii) Associated Company ( SPV) : Raichur Sholapur Transmission Company Limited
- iii) Key management personnel : Mr. Rajesh Agrawal  
: Mr. Arun Kumar Dogra  
: Mr. Kamesh Yalamarty
- iv) Relatives of Key management personnel : Mrs. Reema Agarwal  
: Mrs. Shalini Agarwal  
: Mrs. Shakuntala Devi Agarwal  
: Mr. Dilip Kumar Agarwal  
: Mr. Rakesh Agarwal  
: Mr. Mukesh Agarwal
- v) Concerns in which Key management personnel have substantial interest : Shivganga Infrastructures Ltd.  
- (significant interest entities) : Agarwal Developers  
: I-Vantage India Pvt Ltd  
: I-Vantage Apac Pvt.Ltd



**II) Aggregated related party transactions:**

				(Amount in Rupees)		
S.no	Name of The Party	Nature of Transaction	Opening Balance 1 <sup>st</sup> April 2016	Debit	Credit	Closing Balance 31 <sup>st</sup> March 2017
1	Rajesh Agarwal	Remuneration/ Commission	2,13,725(Dr))		2,13,725	-
2	Reema Agarwal	Professional Charges/ Reimbursement of Expenses	-	20,399	22,542	2,143 cr
4	BS Global Resources Private Ltd	Investment	26,54,69,430( Dr)	-	-	26,54,69,430( Dr)
5	BS Global Resources Private Ltd	Loan	3,99,26,885( Cr))		4,99,76,335	8,99,03,220( Cr)
6	BS Global Resources Private Ltd	Corporate Guarantee	USD 50,00,000 @ Rs. 67.0547 given to UCO Bank and USD 30,00,000 to Habib Bank @ Rs. 67.0547 USD 80,40,000 @ Rs.67.0547 given to United Overseas Bank and USD 35,00,000 @ Rs. 67.0547 to ANZ Banking Group			1,31,02,48,838
7	BS Limited FZE	Corporate Guarantee	USD 75,00,000 @ Rs.67.0547 given to National Bank of Fujairah PJSC			50,29,10,250
8	Rajesh Agarwal	Unsecured Loan taken/ (Repayment)	57, 64,17,230 (Cr)	6,54,08,936	22,51,83,946	73, 61,92,240 (Cr)

**36. Earning per Share (EPS)**

The Basic and Diluted EPS is Calculated as under:

Particulars	Year Ended March 31 <sup>st</sup> 2017	Year Ended March 31 <sup>st</sup> 2016
a) Profit after Tax during the year (Rs.)	(408,15,11,548)	59,37,41,322
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	(408,15,11,548)	59,37,41,322
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	44,15,41,490	44,13,98,620
- Diluted	44,15,41,490	44,13,98,620
d) Earning per Share (b/a)		
- Basic	(9.24)	1.35
- Diluted	(9.24)	1.35
e) Nominal Value per Share	1	1

The company has issued 284960 Bonus Shares in the proportion of 1:1 on the ESOP allotted during the current financial year in accordance with the approval of Shareholders . EPS reported for the Year ended 31st March 2016 has been derived considering the increase in the number of equity shares on account of Bonus shares issued in the current Financial Year 2016-17 .

**37. Segment Reporting**

The Company is primarily engaged in the business of Engineering, Procurement and Construction business (EPC) and Trading of mineral resources .

(Rupees In Lakhs)

Particulars	Year Ended	
	31.03.17 Audited	31.03.16 Audited
<b>1) Segment Revenue</b>		
Engineering, Procurement and Construction business (EPC)	69,298.29	213,215.27
Trading Business	-	26,741.32
Total	69,298.29	239,956.59
<b>2) Segment Results (EBIDTA)</b>		
Engineering, Procurement and Construction business (EPC)	(27,424.05)	31,763.32
Trading Business	-	227.64

Particulars	Year Ended	
	31.03.17 Audited	31.03.16 Audited
Total (EBIDTA)	(27,424.05)	31,990.96
Less : Interest	9,213.85	17,260.44
Other Un-allocable Expenditure net off	5,150.86	6,474.02
Un-allocable income	(272.07)	(927.37)
<b>3) Total Profit Before Tax</b>	<b>(41,516.70)</b>	<b>9,183.87</b>
<b>4) Segment Assets</b>		
Engineering, Procurement and Construction business (EPC)	192,974.15	242,780.96
Trading Business	-	-
<b>Total Segment Assets</b>	<b>192,974.15</b>	<b>242,780.96</b>
<b>5) Segment Liabilities</b>		
Engineering, Procurement and Construction business (EPC)	154,940.14	164,298.51
Trading Business	-	-
<b>Total Segment Liabilities</b>	<b>154,940.14</b>	<b>164,298.51</b>
<b>6) Capital Employed</b>		
Engineering, Procurement and Construction business (EPC)	38,034.01	78,482.45
Trading Business	-	-
<b>Total</b>	<b>38,034.01</b>	<b>78,482.45</b>

### 38. Statement of ESOP Vested and Exercised during the Current Financial Year.

Total ESOP Granted	Options Vested	Options Exercised	Options Vested but not Exercised	Options Lapsed	Unvested Options
9,03,707	9,03,707	4,61,983	202,849	2,38,875	-

### 39. Unpaid Dividend Account

Particulars	31st March 2017	31st March 2016
Final Dividend - Mar 11	98,350	98,350
Final Dividend - Mar 12	1,36,025	1,36,025
Interim Dividend - Mar 13	65,757	65,757
Final Dividend - Mar 14	32,102	32,457
Total	3,32,234	3,32,589

### 40. Cash Inflow/ Outflow in Foreign Currency

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Capital Purchases	Rs. NIL	Rs. 55,179
Loan to BS Limited FZE	Rs. NIL	Rs. 1,25,07,787
Loan received from BS Global Resources Pte Ltd	Rs. 4,99,76,335	Rs. 3,99,26,885
Loan given to BS Global Resources Pte Ltd- Received back	Rs. NIL	Rs. 17,96,28,844
Cash Outflow	Rs. 166,32,00,573	Rs. 108,62,58,393
Cash inflow	Rs. 41,71,86,280	Rs. 3,29,57,85,108

### 41. Disclosure on Specified Bank Notes (SBNs):

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December 2016			
Particulars	SBN's	Other Denomination notes	Total In Rs.
Closing cash in hand as on November 8, 2016	3,015,000	2,682,134	5,697,134
Add: Permitted receipts	-	180,807	180,807
Less: Permitted Payments	2,965,000	672,707	3,637,707
Less : Amount Deposited in Banks	50,000	-	50,000
Closing cash in hand as on December 30th, 2016	-	2,190,234	2,190,234



42. As per section 135 of the Companies Act 2013, a corporate social responsibility committee has been formed by the Company . The areas for CSR activities are eradication of hunger and malnutrition, promoting education, health care and rural development projects. These funds were primarily allocated to a corpus and yet to be utilized for the specified purposes. The company has not fully utilized the amount provided in Financials Year 2014-15 and 2015-16.
43. The Board is apprised that the Company has been carrying forward, Trade Receivables and Trade Advances aggregating to Rs. 161. 21 crores and Rs. 52.82 crores respectively in the Balance Sheet of the Company which pertain to the earlier years. Though the same have been outstanding for quite a long time, the Management was positive that the aforesaid Receivables are realizable. Accordingly, the Management had considered them to be standard and have not treated them under Doubtful Debts. However, the Company could not realize / recover any of the aforesaid outstanding Trade Receivables and Advances during the Financial Year 2015-16 and further they are outstanding till date despite the efforts of the Company.

The Statutory Auditors of the Company, have emphasized, in their Audit Report, the matter with respect to the realization of the Outstanding Trade Receivables and the Advances given by the Company which have been outstanding for more than 365 days as on the Financial

Year ending March 31, 2016 and that the Financial Statements of the Company did not include any adjustment relating to the certainty of the recovery of such balances.

The Board of Directors, at its Meeting held on November 28, 2016, had resolved to revise the Financial Statements for FY 2014-15 and FY 2015-16, voluntarily, by seeking the approval of the National Company Law Tribunal (“NCLT”), in compliance with Section 131 of the Companies Act, 2013 and Rules prescribed thereunder. Accordingly, the Company has filed an application with the National Company Law Tribunal seeking approval for the Revision of the Financial Statements of the Company for the FY 2014-15 and FY 2015-16 to Write-off the outstanding Receivables and Loans & Advances over Two Financial years aggregating to Rs.110.55 Crores in the FY 2014-15 and Rs. 103.48 Crores in the FY 2015-16. The Petition is pending before the NCLT.

44. During the current financial year the company has made a provision for bad and doubtful debts amounting to Rs. 188.54 crores due to which the loss of the company has been overstated to that extent.
45. Figures for the previous year have been rearranged/ regrouped / recast wherever necessary to conform to the current year presentation/ classification.
46. Figures are rounded off to the nearest rupee.

---

**See accompanying notes to the financial statements**

**For P Murali & Co**

Chartered Accountants  
Firm Regd. No.: 007257S

For BS Limited

**Rajesh Agarwal**

Managing Director

**Arun Dogra**

Whole Time Director

**Dimple Kaul**

Director

**P. Murali Mohana Rao**

Partner  
M.No. 023412  
Place : Hyderabad  
Date : 29.05.2017

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED

### To the Members BS Limited

#### Report on the consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s. BS Limited ("the Holding Company"), its subsidiaries and its jointly controlled entities; together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income) and Consolidated Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated 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 financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the respective companies is 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid.

#### Auditor's 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 and the rules made there under including the accounting and auditing standards and matters which are required to be included in audit report.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated

Ind AS financial statements. The procedures selected depend on the auditor's 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 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Basis of Qualified Opinion:

Attention is invited to:

The Company has defaulted in repayment of dues to Banks/ Financial Institutions during the current financial year. All loans outstanding were classified as NPA's by the banks during the current financial year. (Refer Note No.29 & 31).

Provision for interest amounting to Rs. 90.90 Cr. and Rs. 10.62 Cr. on its Working Capital Loan and Term Loan respectively has not been made by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.101.52 Cr. in view of non provision of Interest amount. (Refer Note No.29 & 31). If the accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 509.67 Crores.

The Company is not regular in payment of undisputed statutory dues during the current financial year amounting to Rs. 98,022,211 which includes TDS, TCS, Dividend Distribution Tax, Service Tax, Provident Fund, Employees State Insurance and Professional Tax.

Since the Company has not obtained any technical/market evaluation for the inventory, we are unable to comment on the realizable value of the same, which may be lower than the amount at which it has been reflected in the balance sheet.

The trade receivables could not be verified as confirmation of balances has not been received. However the company has provided provision for bad and doubtful debts for the year amounting to Rs. 188.53 Crores. The realisability of the trade receivables amounting to Rs.1,250.60 Crores which are outstanding more than one year is in doubt and company has not made any provision for in respect of these receivables which includes Trade Receivables which are considered in NCLT application for the financial year 2014-2015 & 2015-2016.

In absence of technical and costing evaluation of current and non-current assets, impact of impairments, if any, on their economic value, we can't comment on the realizable value of same.



This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to meet its financial obligation including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations.

The Company has filed an application at Honorable National Company Law Tribunal (NCLT) Hyderabad bench, in compliance with section 131 of the Companies Act, 2013 and rules prescribed there under, seeking approval for revision of Financial Statements for the FY 2014-2015 and FY 2015-2016 to written off the outstanding trade receivables and loan & Advances given by the Company over two financial years aggregating to Rs. 110.55 Crores in the FY 2014-2015 and Rs. 103.61 Crores in the FY 2015-2016. The proceedings are pending before NCLT as on date. The company has not advanced provision towards Trade receivables & Loans and advances in respect of the application made in NCLT for the financial year 2014-2015 & 2015-2016. (Refer to Note No.43)

The company did not file the returns of Income Tax for the assessment years of 2015-16 and 2016-17 and self-assessment tax amounting to Rs. 26,79,98,355 and Rs. 35,35,45,760/- respectively were not paid and such status of payment will not hold good afterwards as due to account of application for revision of financials for these two years (F.Y.2014-15 and F.Y.2015-16) by the company under Sec. 131 of the Companies Act 2013 and which is pending for disposal with NCLT.

#### **Qualified Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the 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, including the Ind AS, of the consolidated financial position of the group, as at 31st March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the changes in equity for the year then ended.

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

As required by section 143(3) of the Act, we report, to the extent applicable that:

we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books;

the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, and the consolidated Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

in our opinion, the aforesaid consolidated Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .

On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in ' Annexure A'; and

With respect to other matters to be included in the Auditor's 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:

The consolidated Ind AS financial statement has disclosed the pending litigations which could have impact on its financial position.

The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.

The Company has provided requisite disclosures in its Consolidated Ind AS Financial Statements (Note No. 41) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the Company.

#### **Other Matter**

We did not audit the financial statements and financial information of Two Subsidiary Companies and One Joint Venture Company which are included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets before elimination of Rs. 5,09,45,42,276 as at 31st March, 2017 as well as the total revenue of Rs. 15,29,13,39,321 as at 31st March, 2017. These include Audited Interim financial statements and other financial information has been audited by other Auditors whose reports have been furnished to us and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration Number: 007257S

**P.Murali Mohana Rao**  
Partner

Place: Hyderabad  
Date: 29.05.2017

Membership No. 023412

## Annexure A to the Independent Auditor's Report

### Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the 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 31st March 2017, we have audited the internal financial controls over financial reporting of BS Limited ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

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

The Respective Board of Directors of the Holding Company and its subsidiary/joint venture companies, which are 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 Act.

#### Auditor's 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 deed 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. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk 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 is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control 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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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 deducted. 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 does not have adequate internal financial controls system with respect to inventory over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31st, 2017, 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 P. Murali & Co.,  
Chartered Accountants  
Firm Registration Number: 007257S

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place: Hyderabad

Date: 29.05.2017

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(Amount In Rupees)

ASSETS	Note no.	As at 31 March 2017	As at 31 March 2016
<b>Non-current assets</b>			
Property, plant and equipment	1	3,503,105,523	4,101,422,281
Capital work-in-progress	1	94,102,971	323,094
Intangible assets under development	1	294,501	34,406,509
Financial assets			
- Non-Current investments	2	5,460,820	5,460,820
- Long-term loans and advances	3	230,138,890	402,142,230
<b>Current assets</b>			
Inventories	4	964,407,893	2,209,702,096
Financial assets			
- Trade and other receivables	5	16,471,988,088	18,047,828,725
- Cash and cash equivalents	6	400,780,287	1,373,647,806
- Short term loans and advances	7	1,373,137,779	1,419,494,369
Other current assets	8	715,194,646	901,839,227
<b>TOTAL ASSETS</b>		<b>23,758,611,398</b>	<b>28,496,267,156</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	441,683,580	441,113,660
Other equity	10		
- Equity component of other financial instrument			
- Retained earnings		2,372,052,526	6,246,578,760
<b>Share application money pending allotment</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Long term borrowings	11	2,441,618,336	2,500,417,656
Long term provisions	12	11,606,309	12,739,622
Deferred tax liabilities (Net)	13	63,053,478	133,211,456
Other non-current liabilities	14	23,231,947	328,298,295
<b>Current liabilities</b>			
Financial liabilities			
- Short term borrowings	15	12,081,098,038	4,762,111,796
- Trade and other payables	16	3,980,180,115	10,947,342,378
Other current liabilities	17	1,418,309,262	1,961,188,920
Short-term provisions	18	925,777,806	1,163,264,614
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,758,611,398</b>	<b>28,496,267,156</b>

See accompanying notes to the financial statements

For P Murali &amp; Co

Chartered Accountants  
Firm Regd. No.: 007257S

For BS Limited

Rajesh Agarwal  
Managing DirectorArun Dogra  
Whole Time DirectorDimple Kaul  
Director

P. Murali Mohana Rao

Partner  
M.No. 023412  
Place : Hyderabad  
Date : 29.05.2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2017

Particulars	Note no.	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue from operations</b>	<b>19</b>	22,191,130,889	43,112,369,419
<b>Other income</b>	<b>20</b>	57,243,955	94,245,193
<b>Total revenue</b>		<b>22,248,374,844</b>	<b>43,206,614,612</b>
<b>Expenses</b>			
Cost of materials consumed	21	4,534,458,043	14,083,373,030
Purchase of stock-in-trade	22	14,778,741,269	21,332,690,406
Changes in inventories of finished goods, work in progress and stock-in-trade	23	1,020,111,184	52,823,383
Taxes Paid on Sales		135,856,417	167,832,183
Employee benefit expense	24	159,963,523	178,968,884
Other operating expenses	25	1,897,247,248	3,530,912,401
Administrative Expenses	26	139,015,033	190,244,872
Finance cost	27	1,034,218,418	1,846,166,486
Depreciation and amortisation expense	1	571,602,868	700,342,008
Other expense	28	1,939,162,631	23,958,015
<b>Total expenses</b>		<b>26,210,376,636</b>	<b>42,107,311,669</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(3,962,001,792)</b>	<b>1,099,302,943</b>
Exceptional items		-	-
<b>Profit/ (loss) before tax</b>		<b>(3,962,001,792)</b>	<b>1,099,302,943</b>
<b>Tax expense</b>		<b>(65,444,559)</b>	<b>339,146,932</b>
<b>Profit/ (loss) for the period from continuing operations</b>		<b>(3,896,557,233)</b>	<b>760,156,011</b>
<b>Profit/ (loss) from discontinued operations</b>		-	-
Tax expense of discontinued operations		-	-
<b>Profit/ (loss) from discounting operations (after tax)</b>		-	-
<b>Profit/ (loss) for the period</b>		<b>(3,896,557,233)</b>	<b>760,156,011</b>
<b>Other comprehensive income</b>		<b>(336,488)</b>	<b>(2,096,457)</b>
<b>Total comprehensive income for the period</b> (Profit/ loss + other comprehensive income)		<b>(3,896,893,721)</b>	<b>758,059,554</b>
<b>Earnings per equity share (for continuing operations)</b>			
a) Basic		<b>(8.82)</b>	1.72
b) Diluted		<b>(8.82)</b>	1.72
<b>Earnings per equity share (for discontinued operations)</b>			
a) Basic		-	-
b) Diluted		-	-
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
a) Basic		<b>(8.82)</b>	1.72
b) Diluted		<b>(8.82)</b>	1.72

AS PER OUR REPORT OF EVEN DATE

For P. Murali &amp; Co.,

Firm Regn. No: 007257S

Chartered Accountants

For BS Limited

**(P. Murali Mohana Rao)**

Partner

M.No. 023412

**Rajesh Agarwal**

Managing Director

**Arun Dogra**

Whole Time Director

**Dimple Kaul**

Director

Place : Hyderabad

Date : 27.05.2016



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2017

	For the Year ended on 31.03.2017	For the Year ended on 31.03.2016
<b>A Cash Flow from Operating activities :</b>		
<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	(3,962,338,280)	1,097,206,486
Depreciation	571,602,868	700,342,008
Interest paid	871,737,137	1,764,263,824
Interest received	(26,674,177)	(80,560,917)
Loss on Sale of Fixed Assets	9,698,378	-
Profit on Sale of Assets / Investments	-	(573,037)
Bad Debts Written Off	1,885,410,741	5,641
<b>Operating Profit before working capital changes</b>	<b>(650,563,333)</b>	<b>3,480,684,005</b>
<b>Adjustments for :</b>		
Trade and Other Payables	(8,058,441,808)	1,243,467,251
Inventories	1,245,294,202	94,559,002
Trade receivables	(309,570,105)	(3,563,937,416)
Loan and advances	46,356,590	(171,016,902)
Other Assets	186,644,581	107,880,476
<b>Cash generated from operations</b>	<b>(7,540,279,873)</b>	<b>1,191,636,417</b>
Add: Income Tax paid		
Miscellaneous Expenditure		
Translation Gain / Loss	19,804,273	29,762,774
Prior Year Expenses		
<b>Net Cash flow from Operating activities (before &amp; after extraordinary items) " A "</b>	<b>(7,520,475,600)</b>	<b>1,221,399,191</b>
<b>B Net Cash from Investing activities :</b>		
( Purchase ) / Sale of fixed assets	(4,143,956)	(65,845,347)
Capital Work in Progress	(59,696,462)	(34,406,509)
Increase in Creditors for Capital Goods		
( Purchase ) / Sale of investments	-	-
Interest received	26,674,177	80,560,917
Sale of Fixed Assets	21,188,061	2,512,789
Sale of Investments	-	-
Long Term Loans and Advances	172,003,340	(35,096,031)
<b>Net cash flow from Investing activities " B "</b>	<b>156,025,161</b>	<b>(52,274,180)</b>
<b>C Cash Flow from Financing activities</b>		
Issue of Share Capital	3,133,135	7,080,560
Bank borrowings & Unsecured Loan	7,260,186,922	1,018,041,169
Dividend and Dividend Distribution Tax Paid	-	-
Interest paid	(871,737,137)	(1,764,263,824)
<b>Net Cash flow from Financing activities " C "</b>	<b>6,391,582,920</b>	<b>(739,142,095)</b>
<b>D Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>(972,867,519)</b>	<b>429,982,916</b>
Cash and Cash Equivalents at the beginning	1,373,647,806	943,664,889
Cash and Cash Equivalents at the end	400,780,287	1,373,647,805
(includes funds not available for use - Margin Money Rs. 4,33,45,065/- (Previous Year Rs. 83,85,92,275/-)		

AS PER OUR REPORT OF EVEN DATE

For P. Murali &amp; Co.,

Firm Regn. No: 007257S

Chartered Accountants

For BS Limited

(P. Murali Mohana Rao)

Partner

M.No. 023412

Rajesh Agarwal

Managing Director

Arun Dogra

Whole Time Director

Dimple Kaul

Director

Place : Hyderabad

Date : 27.05.2016

## SIGNIFICANT ACCOUNTING POLICIES

### Corporate Information:

1. The Consolidated Financial Statements comprise financial statements of "BS Limited" ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") and financially controlled joint venture for the year ended 31st March 2017. The principal activities of the Group, its joint ventures and associates consist of Manufacturing of Tower and Tower parts , EPC of Transmission Lines manufacturing of Tower and Tower Parts and Engineering, Procurement and construction business ( EPC) relating to projects and systems for power transmission , distribution and related activities and Trading in Coal and Minerals.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards ( Ind AS) notified under section 133 of the Companies Act , 2013 ( The Act) ( Companies (Indian Accounting Standards) Rules ,2015) and other relevant provisions of the Act.

The consolidated financials statements comprise of BS Limited and its subsidiaries and financially controlled joint venture.

#### b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fairvalues at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

#### c) Principles of Consolidation

- i) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- iii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

iv) The audited / unaudited financial statements of foreign subsidiaries / joint ventures / associates have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.

v) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

vi) The carrying amount of the parent's investment in each subsidiary is offset(eliminated) against the parent's portion of equity in each subsidiary.

vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

viii) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 – Joint Arrangements.

ix) The Group accounts for its share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures.

x) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

xi) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet

#### d. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and

equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

#### Contingencies

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

#### Defined Benefit Plans

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and

its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

#### Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

#### Intangibles

Internal technical or user team assess the useful lives of Intangible assets. Management believes that assigned

useful lives are reasonable.

#### e) Current Vs Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it satisfies the below mentioned criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

#### f) Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

#### g) Revenue recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects Goods and Service Tax (GST), service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are

not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

#### Sale of Goods

Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is considered fixed and generally title has passed.

#### Insurance Claims

Insurance claims are recognized on acceptance / receipt of the claim.

#### Interest

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established.

### h) Leases

#### As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected

general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are classified in the balance sheet based on their nature.

#### Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

### i) Cost recognition

Costs and expenses are recognized as and when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized in employee benefit expenses, depreciation and amortization and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

### j) Foreign currency transactions

#### i. Functional and Presentation Currency:

The Company's functional and presentation currency is Indian National Rupee.

#### ii. Initial Recognition:

Foreign currency transactions are recorded in the presentation currency, by applying to the foreign currency amounts the exchange rate between the Presentation currency and the foreign currency at the date of the transaction.

#### iii. Conversion on reporting date:

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are

measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iv. Exchange Differences:

Exchange difference arising on the settlement of monetary items or on Presenting monetary items of Company at rates different from those at which they were initially recorded during the year or presented in previous financial statements are recognised as income or as expenses in the year in which they arise.

k) Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

l) Financial instruments

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

1. Financial Assets.

i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement:

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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 on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

iii. De-recognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when: a. The rights to receive cash flows from the asset have expired, or b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of

the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

iv. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

2. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

i) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognized at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss.

b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate.

The effective interest rate amortization is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

iii. De-recognition:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

m) Inventories

Bought Out materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on FIFO Basis.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of materials, cost of borrowings and other related overheads.

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

n) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**o) Financial Guarantee Contracts:**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with original or modified terms of a debt instrument.

The Company measures any financial guarantee on initial recognition at their fair value.

Subsequently these contracts are measured at the higher of:

- a. the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- b. the amount initially recognized, less where appropriate, cumulative amount of income recognized in accordance with the principles of Ind AS 18.

**p) Property, plant and equipment**

Property, plant and equipment are stated at cost net of input tax credits, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and all attributable cost, to bring the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognizes transaction value as the cost.

An item of Property, Plant and Equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from property, plant and equipment and the carrying amount net of scrap value, if any is charged to Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognized as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings	Written Down Value	30 years
Plant and Machinery	Written Down Value	15 years
Factory Equipment	Written Down Value	15 years
Computer equipment	Written Down Value	3 years
Office equipments	Written Down Value	5 years
Furniture and fixtures	Written Down Value	10 years
Vehicles	Written Down Value	8 years

**q) Intangible assets**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortised over license period which equates the useful life ranging between 5-6 years on a Written Down basis.

**r) Impairment of Non-financial assets**

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii) Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

**s) Employee benefits**

Employee benefits are charged to the statement of Profit and Loss for the year .

- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income

and they are included in retained earnings in the statement of changes in equity in the balance sheet.

- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

**t) Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

**u) Borrowing Costs:**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**v) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM"). The board of directors of the company has identified the Chairman and Managing Director as the CODM.

**w) Provisions:**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market

assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

**x) Contingent Liabilities**

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

**y) Contingent Assets**

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

**z) Prior period items:**

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.



## NOTE NUMBERS TO CONSOLIDATED BALANCE SHEET

**NOTE NO. 1 : FIXED ASSETS**

Sl. No.	Particulars	Gross Block						Depreciation/Amortization				Net Block as on 31.03.2017	Net Block as on 31.03.2016	
		As on 01.04.2016	Additions during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2017	Dep. As on 01.04.2016	Dep. For the year 2016-2017	Accumulated Depreciation on Sale of Asset	Total Depreciation as on 31.03.2017			
1	LAND	62,927,860	-	-	-	-	62,927,860	-	-	-	-	-	62,927,860	62,927,860
2	BUILDING	964,209,532	-	-	-	-	964,209,532	377,788,127	58,989,377	-	436,777,504	-	527,432,028	586,421,405
3	PLANT & MACHINERY	4,959,287,901	1,934,139	-	-	56,272,391	4,904,949,648	1,571,470,227	486,742,934	25,385,952	2,032,827,210	-	2,872,122,439	3,387,817,673
4	ELECTRICAL EQUIPMENT	8,947,404	-	-	-	-	8,947,404	7,388,234	469,380	-	7,857,614	-	1,089,790	1,559,170
5	PROJECT EQUIPMENT	118,329,516	1,704,810	-	-	-	120,034,326	81,238,074	17,284,437	-	98,522,511	-	21,511,815	37,091,442
6	OFFICE EQUIPMENT	11,483,084	180,500	-	-	-	11,663,584	9,495,267	846,711	-	10,341,978	-	1,321,607	1,987,817
7	COMPUTERS	4,139,977	268,947	-	-	-	4,408,924	3,387,054	323,820	-	3,710,874	-	698,050	752,923
8	FURNITURE	22,422,675	-	-	-	-	22,422,675	15,962,481	1,667,552	-	17,630,034	-	4,792,641	6,460,194
9	VEHICLES	36,918,586	55,560	-	-	-	36,974,146	20,514,788	5,250,064	-	25,764,852	-	11,209,294	16,403,798
10	INTANGIBLE FIXED ASSETS - COMPUTER SOFTWARE	7,762,652	-	-	-	-	7,762,652	7,439,558	28,593	-	7,468,151	-	294,501	323,094
11	CAPITAL WORK IN PROGRESS	34,406,509	59,696,462	-	-	-	94,102,971	-	-	-	-	-	94,102,971	34,406,509
	<b>TOTAL</b>	<b>6,230,835,696</b>	<b>63,840,418</b>	<b>-</b>	<b>-</b>	<b>56,272,391</b>	<b>6,238,403,722</b>	<b>2,094,683,811</b>	<b>571,602,868</b>	<b>25,385,952</b>	<b>2,640,900,727</b>	<b>-</b>	<b>3,597,502,995</b>	<b>4,136,151,884</b>
	Previous Year	6,133,116,835	48,053,876	-	52,197,980	2,532,996	6,230,835,696	1,394,929,405	700,342,008	587,602	2,094,683,811	-	4,136,151,884	4,738,187,430

## NOTE NUMBERS TO CONSOLIDATED BALANCE SHEET

### NOTE NO. 2 : NON- CURRENT INVESTMENTS

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Non- Current Assets		
	1) Trade Investments		
	a) Investment Property - Land at Cherapally	5,460,820	5,460,820
	<b>Total Non Current Investments</b>	<b>5,460,820</b>	<b>5,460,820</b>

### NOTE NO. 3 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Long - Term Loans and Advances:		
	a) Security Deposit		
	Secured	-	-
	Unsecured	230,138,890	402,142,230
	( Security deposit consist of Sales Tax Deposit , Electricity deposit , Rent Deposit , Tender deposit and deposit with suppliers )		
	<b>Total Long Term Loans &amp; Advances</b>	<b>230,138,890</b>	<b>402,142,230</b>

### NOTE NO. 4 : INVENTORIES

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Inventories :		
	a) Raw materials		
	Billet & Steel	329,747,894	498,616,702
	Zinc	24,539,296	22,852,450
	Furnace Oil	86,305	86,305
	Sub Total	<b>354,373,495</b>	<b>521,555,458</b>
	b) Work - in - progress		
	EPC Work In Progress	42,000,000	99,500,000
	Sub Total	<b>42,000,000</b>	<b>99,500,000</b>
	c) Finished goods		
	Tower and Tower parts	235,544,124	388,043,361
	Scrap	4,225,357	8,198,112
	Sub Total	<b>239,769,481</b>	<b>396,241,473</b>
	d) Stock - at - Site		
	Bought Out Items	322,560,295	1,186,199,487
	Sub Total	<b>322,560,295</b>	<b>1,186,199,487</b>
	e) Stores and spares	5,704,623	6,205,678
	Sub Total	<b>5,704,623</b>	<b>6,205,678</b>
	<b>Total Inventories</b>	<b>964,407,893</b>	<b>2,209,702,096</b>

### NOTE NO. 5 : TRADE RECEIVABLES

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	13,074,396,206	2,564,699,493
	Doubtful	-	-
		13,074,396,206	2,564,699,493
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	3,397,591,882	15,483,129,232
	Doubtful	-	-
		3,397,591,882	15,483,129,232
	Total Trade Receivable ( Gross)	<b>16,471,988,088</b>	<b>18,047,828,725</b>
	<b>Total Trade Receivables(net)</b>	<b>16,471,988,088</b>	<b>18,047,828,725</b>

**NOTE NO. 6 : CASH AND BANK BALANCES**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	152,050,322	81,181,623
	2) Un Paid Dividend Account	332,234	332,589
	3) On Margin Money Deposit Accounts	245,913,554	1,290,192,215
	b) Cash on hand	2,484,176	1,941,379
	<b>Total Cash and Cash Equivalents</b>	<b>400,780,287</b>	<b>1,373,647,806</b>

**NOTE NO. 7 : SHORT TERM LOANS AND ADVANCES**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Short - Term Loans and Advances:		
	a) Capital Advance		
	Unsecured	20,452,708	23,585,214
	b) Other loans And advances		
	Unsecured	1,352,685,071	1,395,909,155
	( Loans and advances consist of mobilisation advance to contactors, advance to supplier and Travel advance to employees )		
	<b>Total Short Term Loans &amp; Advances</b>	<b>1,373,137,779</b>	<b>1,419,494,369</b>

**NOTE NO.8 : OTHER CURRENT ASSETS**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Unbilled revenue	701,928,112	734,900,824
	Prepaid Expenses	11,757,108	104,178,729
	Interest Accrued on Deposits	1,509,426	62,759,674
		<b>715,194,646</b>	<b>901,839,227</b>

**NOTE NO. 9 : SHARE CAPITAL**

S.NO.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
a	Equity Share Capital		
	(a) Authorised		
	C.Y 50,00,00,000 ( P.Y. 50,00,00,000) shares of Re.1/- each	500,000,000	500,000,000
	(b) Issued		
	C.Y 44,16,83,580 shares of Re.1/- each ( P.Y. 44,11,13,660 of Re. 1/- each)	441,683,580	441,113,660
	(c) Subscribed & Fully Paid Up		
	C.Y 44,16,83,580 shares of Re.1/- each ( P.Y. 44,11,13,660 of Re. 1/- each)	441,683,580	441,113,660
	(d) Subscribed & not fully paid up	-	-
	(e) Par value per share Re. 1	-	-
	<b>Total Equity Share Capital</b>	<b>441,683,580</b>	<b>441,113,660</b>
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	Number of Shares
	Equity Shares of Re.1 Each, Fully paid up :		
	At the Beginning	441,113,660	439,825,700
	Issued during the year - Bonus Issue	284,960	643,980
	Issued during the year - ESOP	284,960	643,980
	At the end	441,683,580	441,113,660
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	
	Equity Shares of Re.1 each Held By		
	Rajesh S Agrawal C.Y 22,87,04,480 of Re. 1/- each (P.Y 27,88,94,773 of Rs. 1/- each)	<b>51.78</b>	<b>63.23</b>

**NOTE NO. 10 : OTHER EQUITY**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Other Equity		
	a) Securities Premium Reserve		
	As at the commencement of the year	2,005,098,029	1,998,661,449
	Add: Additions during the year	2,848,175	6,436,580
	Less: Utilised during the year	-	-
		2,007,946,204	2,005,098,029
	b) Bonus to Share Holders	28,490	313,450
	c) Surplus :		
	i) Opening Balance	4,108,916,793	3,350,323,909
	Add: Total comprehensive income during the year	(3,896,893,721)	758,059,554
	Less: Bonus shares / ( Forfeiture of Bonus shares)	-	(533,330)
		212,023,072	4,108,916,793
II	d) Foreign Exchange Translation Gain / ( Loss)	152,054,760.74	132,250,488.19
	Total Reserves and Surplus	<u>2,372,052,526</u>	<u>6,246,578,760</u>

**NOTE NO. 11 : LONG TERM BORROWINGS**

S.No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured - ( Refer Note No 29a )	884,202,210	1,154,462,130
	From Financial Institutions :		
	Secured - ( Refer Note No 29b )	821,223,886	763,046,164
	Unsecured - ( Refer Note No 29c )	-	6,492,132
	b) Loans and advances from related parties		
	Un Secured:		
	Unsecured - ( Refer Note No.29d )	736,192,240	576,417,230
	Total Long Term Borrowings	<u>2,441,618,336</u>	<u>2,500,417,656</u>

**NOTE NO. 12 : LONG TERM PROVISIONS**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	a) Provisions for employee benefits		
	- Provision for Gratuity - (Refer Note No.30 )	6,284,008	6,606,155
	- Provision for Leave Encashment - ( Refer Note No. 30)	5,322,301	6,133,467
	Total Long Term Provisions	<u>11,606,309</u>	<u>12,739,622</u>

**NOTE NO. 13 : DEFERRED TAX LIABILITY ( NET )**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Opening Deferred tax Liability	139,662,515	219,555,948
	Add:		
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	(70,971,193)	(79,893,433)
	Deferred Tax Liability for the year ( Due to Others )		
	Gross Deferred tax Liability	68,691,322	139,662,515
	Opening Deferred tax Asset	6,451,059	6,339,261
	Provision for Gratuity and Compensated Absences and doubtful debt	(813,215)	111,798
	Gross Deferred tax Asset	5,637,844	6,451,059
	Deferred Tax Liability/ ( Asset ) - Net	<u>63,053,478</u>	<u>133,211,456</u>

**NOTE NO. 14 : OTHER LONG TERM LIABILITES**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
	a) Trade Payables & Others		
	- Advance from Customers	23,231,947	328,298,295
	Total other long term liabilities	<u>23,231,947</u>	<u>328,298,295</u>

**NOTE NO. 15 : SHORT TERM BORROWINGS.**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured - ( Refer Note No. 31)	12,074,098,178	4,749,311,695
	From other parties		
	Secured	-	-
	Unsecured	-	-
	b) Loans and advances from other parties		
	Unsecured -( Refer Note No. 31 )	4,600,100	12,800,101
	c) Loans and advances from Related parties		
	Unsecured	2,399,760	-
	<b>Total Short Term Borrowings</b>	<b>12,081,098,038</b>	<b>4,762,111,796</b>

**NOTE NO. 16 : TRADE PAYABLES**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	a) Trade Payables	3,980,180,115	10,947,342,378
	<b>Total Trade Payables</b>	<b>3,980,180,115</b>	<b>10,947,342,378</b>

**NOTE NO. 17 : OTHER CURRENT LIABILITES**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	a) Current maturities of Long Term Debts	1,141,894,293	1,172,301,517
	b) Interest accrued but not due on borrowings	33,169,635	20,088,885
	c) Income received in advance.	189,351,256	755,343,395
	d) Unpaid dividend.	332,234	332,589
	e) Other Payables	53,561,844	13,122,535
	<b>Total Other Current Liabilities</b>	<b>1,418,309,262</b>	<b>1,961,188,920</b>

**NOTE NO. 18 : SHORT TERM PROVISIONS**

S. No.	Particulars	As on 31.03.2017 Rupees	As on 31.03.2016 Rupees
I	a) Provisions for employee benefits		
	PF Payable	7,018,005	1,775,820
	Salaries Payable	22,904,570	16,218,174
	Provision for Gratuity - ( Refer Note No. 30 )	1,024,081	991,329
	Provision for Leave Encashment - ( Refer Note No. 30 )	1,524,477	1,707,017
	b) Others		
	Statutory Liabilities	803,847,996	906,620,405
	Provision for Expenses	89,458,677	235,951,869
	<b>Total Short Term Provisions</b>	<b>925,777,806</b>	<b>1,163,264,614</b>

**NOTE NUMBERS TO STATEMENT OF PROFIT AND LOSS**
**NOTE NO. 19 : REVENUE FROM OPERATIONS**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
I	Revenue from operations in respect of non-finance company		
	(a) Sale of Products	10,519,134,034	29,364,143,206
	(b) Sale of Services	11,536,140,438	13,580,394,031
	(c) Other Operating Revenues	-	-
	(d) Excise Duties	135,856,417	167,832,183
	<b>Total Revenue from Operations</b>	<b>22,191,130,889</b>	<b>43,112,369,419</b>

**NOTE NO. 20 : OTHER INCOME**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
I	(a) Interest income	26,674,177	80,560,917
	(b) Net Gain on sale of Investments / Assets	-	573,037
	(c) Other non-operating income (net of expenses directly attributed to such income)	29,633,408	670,124
	(d) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	936,371	12,441,115
	<b>Total Other Income</b>	<b>57,243,955</b>	<b>94,245,193</b>

**NOTE NO. 21 : COST OF MATERIALS CONSUMED**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
I	Billets & Steel	4,375,369,679	13,934,368,267
	Zinc	98,737,811	82,613,274
	Furnace Oil & Coal	47,491,121	49,705,474
	Stores & Consumables	12,859,432	16,686,016
	<b>Total Cost Of Material Consumed</b>	<b>4,534,458,043</b>	<b>14,083,373,030</b>

**NOTE NO. 22 : PURCHASE OF STOCK IN TRADE**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
I	Coal	14,778,741,269	21,332,690,406
	<b>Total Trade Purchases</b>	<b>14,778,741,269</b>	<b>21,332,690,406</b>

**NOTE NO. 23 : CHANGE IN INVENTORIES & WIP.**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	396,241,473	611,172,245
	Less : Finished goods at the end of the year	239,769,481	396,241,473
	<b>Sub Total (A)</b>	<b>156,471,992</b>	<b>214,930,773</b>
	Stock at Site		
	Stock in Site at the beginning of the year	1,186,199,487	1,024,092,098
	Less : Stock in Site at the end of the year	322,560,295	1,186,199,487
	<b>Sub Total (B)</b>	<b>863,639,192</b>	<b>(162,107,389)</b>
	<b>(Increase) / Decrease in Inventories (A+B)</b>	<b>1,020,111,184</b>	<b>52,823,383</b>

**NOTE NO. 24 : EMPLOYEE BENEFIT EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
I	(a) Salaries & Wages	149,717,579	166,224,894
	(b) Contribution to Provident & Other Funds	6,013,953	7,347,041
	(c) Staff Welfare Expenses	4,231,992	5,396,949
	<b>Total Employee Benefit Expenses</b>	<b>159,963,523</b>	<b>178,968,884</b>

**NOTE NO. 25 : OTHER OPERATING EXPENSES**

S. No.	Particulars	Year Ended	Year Ended
		31.03.2017	31.03.2016
		Rupees	Rupees
I	(a) Sub Contracting Charges	1,621,064,030	3,321,159,586
	(b) Power & Fuel	36,825,129	40,253,057
	(c) Rent	27,291,508	21,670,404
	(d) Repairs to Building	199,794	178,230
	(e) Repairs to Machinery	704,071	2,891,549
	(f) Insurance	10,594,379	12,437,780
	(g) Rates & Taxes (excluding Income Tax)	5,507,064	13,808,825
	(h) Miscellaneous Expenditure		
	Freight and Transportation Expenses	85,732,551	60,584,631
	Travelling Expenses	29,808,982	28,261,775
	Misc. Project Expenses	178,049	534,215
	Row Clearance Expenditure	426,650	862,503
	Tender Fee	124,913	2,781,047
	Commission & Brokerage Paid	19,781,967	852,894
	Rebates and Discounts	1,831,483	22,003,716
	(i) Net loss on foreign currency transaction and translation	55,687,884	1,233,057
	(i) Payment to Auditors:	-	-
	(i) As Auditor	1,288,794	1,199,132
	(ii) For Taxation Matters	100,000	100,000
	(iii) For Other Services	100,000	100,000
	<b>Total Other Expenses</b>	<b>1,897,247,248</b>	<b>3,530,912,401</b>

**NOTE NO. 26 : ADMINSTRATIVE EXPENSES**

S. No.	Particulars	Year Ended	Year Ended
		31.03.2017	31.03.2016
		Rupees	Rupees
I	(a) Telephone, Postage and Others	3,103,334	3,658,620
	(b) Business Promotion Expenses	3,830,590	8,693,237
	(c) Conveyance	3,297,777	2,936,365
	(d) Office Maintenance	5,127,845	5,047,327
	(e) Printing & Stationery Expenses	1,181,367	1,955,466
	(f) Security Charges	27,060,103	24,465,782
	(g) Managerial Remuneration	5,581,559	13,949,076
	(h) Consultancy Charges	28,633,835	28,181,039
	(i) Professional Consultancy fee	54,475,215	98,002,758
	(j) Director Sitting Fee	560,000	400,000
	(k) Interest on taxes Payable	6,163,407	2,955,202
	<b>Total Administrative Expenses</b>	<b>139,015,033</b>	<b>190,244,872</b>

**NOTE NO. 27 : FINANCE COST**

S. No.	Particulars	Year Ended	Year Ended
		31.03.2017	31.03.2016
		Rupees	Rupees
	(a) Interest Expenses :		
	- Interest on Cash Credit	430,482,062	694,652,483
	- Interest on Car Loan	2,479,381	1,257,605
	- Interest on Term Loan	97,195,601	188,174,830
	- Loan Processing Charges & Bank Charges	65,285,681	81,902,662
	(b) Other Borrowing costs	438,775,693	880,178,906
	<b>Total Finance Cost</b>	<b>1,034,218,418</b>	<b>1,846,166,486</b>

**NOTE NO. 28 : OTHER EXPENSES**

S. No.	Particulars	Year Ended 31.03.2017 Rupees	Year Ended 31.03.2016 Rupees
	Misc. Expenses	2,437,344	2,031,461
	Membership and Subscription	200,063	252,447
	General Expenses	1,243,497	496,305
	Guest House Expenses	1,091,401	1,091,209
	Vehicle Maintenance	125,146	579,910
	CSR Expenses	109,946	19,300,600
	Provision for Bad and Doubtful Debts		200,442
		1,885,410,741	
	Loss On Sale of Fixed Assets / Investment	9,698,378	5,641
	Liquidated Damages	38,846,115	-
	<b>Total Other Expenses</b>	<b>1,939,162,631</b>	<b>23,958,015</b>

**Notes to Consolidated Financial Statements****29. LONG TERM BORROWINGS****a) Term Loans from Banks - Secured**

i) Term Loans from **Bank of India** is secured by:

- First equitable mortgage and charge (**on Pari-passu basis with IFCI Limited**) on all fixed assets, both present and future of the company- situated at Survey No. 82, 83, 92 – 95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist, Telangana & at **Survey No. 41 & 42/AA, Majeedpally village, Toopran Mandal, Medak district, Telangana.**

The above Term Loan is further **collaterally** secured by:

- Second pari-passu charge on entire current assets of the company.
- Pledge of equity shares (**9,09,98,850**) of promoters holding as collateral security ranking pari-passu along with WC consortium of banks
- Personal guarantees of Shri Rajesh Agarwal (Managing Director) and Mr. Dilip Satyanarayan Agarwal
- Interest Rate is 12.70% p.a. and repayable between 2013 and 2017

**ii) Corporate Loan from SBH and SBT and Laxmi Vilas Bank is secured by:**

- Pari-passu first charge on current assets of the Company along with other working capital bankers lenders & is further **collaterally** secured by
- Second pari passu charge on the fixed assets of the company along with the existing corporate loan lenders and working capital consortium bankers.
- Personal guarantees of Shri Rajesh Agarwal (Managing Director) and Mr. Dilip Satyanarayan Agarwal

Interest Rate is Ranging between 12.50% p.a. to 13.25% p.a. and repayable between 2013 and 2018

**iii) Other Term Loans taken against mortgage of underlying Asset :**

- Car Loan taken from ICICI Bank Ltd is secured by the underlying asset (Car Make: Audi).
- Car Loan taken from ICICI Bank Ltd is secured by the underlying asset (Car Make: Maruti Ertiga).
- Car Loan taken from Axis Bank Ltd is secured by the underlying asset (Car Make: Mahindra Verito).
- Car Loan taken from Axis Bank Ltd is secured by the underlying asset (Car Make: Maruti Swift).

Interest Rate is Ranging between 10% to 12% and repayable between 2013 and 2019

**b) Term Loans from Financial Institutions – Secured****i) Term loan from BMW India Financial Services Pvt Ltd**

- Car Loan taken from BMW India Financial Services Pvt Ltd is secured by the underlying asset ( Car Make : Mercedes GLA 200)
- Car Loan taken from BMW India Financial Services Pvt Ltd is secured by the underlying asset ( Car Make : BMW Mini Cooper)

Interest Rate is Ranging between 10% to 12% and repayable between 2014 and 2017

**ii) Term Loan from IFCI Limited is secured by way of:**

- First equitable mortgage and charge (**on Pari-passu basis with Bank of India**) on all fixed assets, both present and future of the company, situated at Survey No. 82, 83, 92 – 95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist, Telangana & situated at **Survey**



**No. 41 & 42/AA, Majeedpally village, Toopran Mandal, Medak district, Telangana**

- Personal guarantee of Shri Rajesh Agarwal (Managing Director) of the company  
Interest rate is 14.60% p.a.
- The company has defaulted in repayment of Loan instalments and has received Notice u/s 13(2) of SARFAESI Act 2002 dated 03<sup>rd</sup> March 2017 from IFCI Limited
- During the current financial year IFCI Limited has sold 5,25,77,293 number of shares pledged by Mr. Rajesh Agarwal amounting to Rs. 14,90,30,095/- towards recovery of Loan .

**iii) Short Term Loan from IFCI Venture Capital Funds Limited is taken against - Unsecured:**

- Pledge of equity shares of promoters holding 20,51,520
- Personal guarantee of Shri Rajesh Agarwal (Managing Director) of the company  
Interest Rate is at 16% p.a. and repayable between 2013 and 2016
- During the current financial year IFCI Venture Capital Funds Limited has sold 1,82,42,832 number of shares pledged by Mr. Rajesh Agarwal amounting to Rs. 8,11,14,609/- towards recovery of Loan .

With respect to the above term loan accounts being classified as NPA by the Lending banks and financial institutions and hence the provision for interest amounting to Rs. 10.62 Cr. as per the details given below has not been made by the Company on its Term Loans . The loss of the Company has been understated by Rs.10.62 Cr. in view of non provision of Interest amount for the financial year 2016-17.

S no	Name of the Bank	Amount in Cr	
		31.03.2017	31.03.2016
1	Bank of India	3.60	-
2	State Bank of Hyderabad	1.33	-
3	State Bank of Travancore	0.91	-
4	IFCI Ltd	4.78	-
5	<b>Total</b>	<b>10.62</b>	<b>-</b>

**c) Loans and advances from Related Parties - Unsecured**

Unsecured Loans and advances taken from Related Parties

	31.03.2017	31.03.2016
<b>Name of Party</b>	<b>Amount</b>	<b>Amount</b>
Rajesh Agarwal	73,61,92,240	57,64,17,230

**30. Defined Benefit Plan**

The Company provides long-term benefits in the nature of Provident fund and Gratuity to its employees. In case of funded schemes, the funds are recognized by the Income Tax authorities and administered through appropriate authorities / insurers. The Company's defined contribution plans are provident fund, employee state insurance and employee's pension scheme ( under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act 1952) since the Company has no further obligation beyond making the contributions. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy.

**31. SHORT TERM BORROWINGS**
**i) Working Capital Loans - Secured**

Working Capital loans from (i) Syndicate Bank, (ii) Punjab National Bank, (iii) State Bank of India, (iv) State Bank of Mysore, (v) State Bank of Hyderabad, (vi) State Bank of Travancore, (vii) State Bank of Bikaner and Jaipur, (viii) United Bank of India, (ix) IDBI Bank, (x) Lakshmi Vilas Bank (xi) Bank of India and (xii) Bank of Maharashtra is under a working capital consortium with State Bank of India being the consortium Leader.

The working capital loans are secured by first pari-passu charge on stocks, receivables, spares, consumables and other current assets of the Company, present and future along with corporate loan lenders namely State Bank of Hyderabad, State Bank of Travancore and Lakshmi Vilas Bank.

(1) Collateral security of equitable mortgage of properties on pari-passu basis with other WC bankers

- Situated at Plot No. 42 (part) in Survey No. 258/1 & 259 situated at Jeedimetla Industrial Area, Shapurnagar, RR District, AP admeasuring appx 22,439.26 sq. yrds in the name of M/s Agarwal Developers
- Open agriculture land admeasuring Ac. 3.10 gnts in survey situated at Survey No. 119, 120, 121, 122 & 124 Athvelly Village, Medchal Mandal, Ranga Reddy District belonging to M/s BS Limited ( Formerly Known As : B S Transcomm Ltd ) and Mr. Rajesh Agarwal
- Residential Flat No: 103, 2nd Floor Block "D" Trendset Valley View Apartments at Banjara Hills Road Number 6 Hyderabad in the name of Mr Rajesh Agarwal.
- All the office premises bearing Unit No. 302 with 3,702 sq., ft carpet area on the 3rd floor of the

building no. 19 (A Wing), Pinnacle Corporate Park, along with 3 (Three) Car Parking spaces in Stack Car Parking system in the Basement floor of the said building constructed on land bearing CTS NO. 4207 (part) of Village Kole Kalian, Taluka Andheri in the Registration Sub District of Bandra, District Bombay Suburban within the Municipal Corporation of Greater Mumbai.

- (2) The above Working Capital loans are further secured by Pari passu second charge on the entire fixed assets of our Company, both present and future along with corporate loan lenders namely State Bank of Hyderabad, State Bank of Travancore and Lakshmi Vilas Bank.
- (3) All Working Capital Loans are further secured by:
- Pledge of equity shares (9,09,98,850) of promoters holding as collateral security ranking paripasu among Term lenders and WC consortium of banks
  - Pledge of equity shares (3,03,32,950) of promoters holding as additional collateral security ranking paripasu among WC consortium of banks
  - Corporate guarantee of i-Vantage India Private Ltd , M/s Agarwal Reality Developers Pvt. Ltd and Agarwal Developers
  - Personal guarantees of Shri Rajesh Agarwal (Managing Director), and Mr. Dilip Satyanarayan Agarwal

Interest Rate is Ranging between 11% to 12.75% and repayable on demand

With respect to the above working capital loan accounts being classified as NPA by the Lending banks and financial institutions and hence the provision for interest amounting to Rs. 90.90 Cr. as per the details given below has not been made by the Company on its Term Loans . The loss of the Company has been understated by Rs.90.90 Cr. in view of non provision of Interest amount for the financial year 2016-17

Sl. No.	Name of the Bank	Amount in Cr	
		31.03.2017	31.03.2016
1	State Bank of India	17.42	-
2	State Bank of Hyderabad	11.85	-
3	State Bank of Bikaner and Jaipur	4.17	-
4	State Bank of Mysore	7.30	-
5	State Bank of Travancore	9.77	-
6	Punjab National Bank	14.50	-
7	United Bank of India	2.82	-
8	Bank of Maharashtra	5.42	-
9	Bank of India	17.64	-
10	<b>Total</b>	<b>90.90</b>	<b>-</b>

The company has defaulted in repayment of Loans and Notice u/s 13(2) of SARFAESI Act 2002 from various lending banks has been received as per the details given below

Sl. No.	Name of the bank	Date of SARFAESI Notice
1	State Bank of Mysore	03/01/2017
2	Punjab National Bank	04/01/2017
3	State Bank of India	13/03/2017
4	State Bank of Travancore	10/02/2017
5	State Bank of Hyderabad	24/03/2017
6	IDBI Bank Limited	19/04/2017
7	Syndicate Bank	06/03/2017
8	United Bank of India	13/02/2017
9	Bank of Maharashtra	20/02/2017

#### ii) Short Term Loan from Others

Loan from Sai Baba Investment & Finance Pvt Ltd are unsecured

Interest Rate is Ranging between 12% to 15% and repayable on demand

#### iii) Unsecured Loans and advances taken from Related Parties

	31.03.2017	31.03.2016
Name of Party	Amount in Rs	Amount in Rs
BS Global Resources Pvt Ltd	8,99,03,219	3,99,26,885

#### iv) Borrowings by BS Global Resources Private Limited

Bills payables are repayable within 90 to 180 days and bear interest at the range from 4% to 4.77410% (2016: 4% to 4.77415%). The Company's bank facilities are letter of credits, bank guarantees and bill purchase line which are secured by Fixed Deposits of about US\$1,600,000/- Corporate guarantee of US\$19,540,000 from the BS Limited (Holding Company), Personal guarantee of US\$ 16,540,000 from one of the director and Registered charge on Deed of Debenture.

### 32. Contingent Liabilities not provided for

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
i) Bills Discounted with banks	NIL 107,99,56,442*	NIL 169,91,45,574*
ii) Bank Guarantees given by Banks	5,00,000 181,31,59,088**	5,00,000 178,73,14,256**
iii) Claims contested by the company		
iv) Corporate Guarantee Given to Banks on account of subsidiaries		

\*BGs taken for Release of Advance Money , Retention Money and as security for procurement of Raw Material are not considered under contingent liabilities as the same are already grouped under Other Liabilities and Trade Payables.

\*\*Corporate Guarantee of USD 1,95,40,000 ( Previous Year 80,00,000) is offered to United Overseas Bank, Singapore and ANZ Banking Group Limited Bank ,Singapore for the limits granted to BS Global Resources Pte Ltd ( 100% Step Down Subsidiary of BS Limited) and USD 75,00,000 is offered to National Bank of Fujairah PJSC, Dubai for the limits granted to BS Limited FZE ( 100% Step Down Subsidiary of BS Limited). 1 USD = Rs. 67.0547 ( Previous Year 1 USD = Rs. 66.0989)

During the current financial year the company has entered into merchant trading transactions and purchased material from party however as the customer has rejected to lift the

material the said material is kept in warehouses at the ports. In this regards the company is in discussion with the supplier to take back the material supplied by them and hence the same was not recorded as purchases by the company due to pending discussion with the suppliers. The company has a contingent liability to the extent of Rs. 16,76,36,750 ( USD 25,00,000) towards the supplier which is required to be paid in case the material is left unsold / not taken back by supplier.

### 33. Micro, Small and Medium Enterprises Development Act

The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence names of Micro, Small and Medium Enterprises to whom the company owes any sum together with interest unpaid as on the date of balance sheet is not ascertainable.

### 34. Particulars of Managerial Remuneration (in Rupees)

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	Chairman & Managing Director	Managing Director	Whole-time Director	Chairman & Managing Director	Managing Director	Whole-time Director
Salary/ Commission	-	-	12,00,000	48,00,000	36,81,588	12,00,000
Perquisites & other benefits	-	-	-	-	-	-
PF & other funds	-	-	-	-	-	-
<b>Total</b>	-	-	<b>12,00,000</b>	<b>48,00,000</b>	<b>36,81,588</b>	<b>6,31,717</b>

\*\* Mr. Kamesh Yalamarty was appointed as the Managing director of the company w.e.f 12 August 2015 and resigned on 18 March 2016.

### 35. Related Party Disclosures:

#### I) List of Related parties with whom transactions have taken place and nature of relationship:

- i) Subsidiary : BS Global Resources Private Ltd  
: BS Limited FZE
- ii) Associated Company ( SPV) : Raichur Sholapur Transmission Company Limited
- iii) Key management personnel : Mr. Rajesh Agrawal  
: Mr. Arun Kumar Dogra  
: Mr. Kamesh Yalamarty
- iv) Relatives of Key management personnel : Mrs. Reema Agarwal  
: Mrs. Shalini Agarwal  
: Mrs. Shakuntala Devi Agarwal  
: Mr. Dilip Kumar Agarwal  
: Mr. Rakesh Agarwal  
: Mr. Mukesh Agarwal
- v) Concerns in which Key management personnel have substantial interest : Shivganga Infrastructures Ltd.  
- (significant interest entities) : Agarwal Developers  
: I-Vantage India Pvt Ltd  
: I-Vantage Apac Pvt.Ltd

## II) Aggregated related party transactions:

(Amount in Rupees)						
Sl. no	Name of The Party	Nature of Transaction	Opening Balance 1 <sup>st</sup> April 2016	Debit	Credit	Closing Balance 31 <sup>st</sup> March 2017
1	Rajesh Agarwal	Remuneration/ Commission	2,13,725(Dr)		2,13,725	-
2	Reema Agarwal	Professional Charges/ Reimbursement of Expenses	-	20,399	22,542	2,143 cr
4	BS Global Resources Private Ltd	Investment	26,54,69,430( Dr)	-	-	26,54,69,430( Dr)
5	BS Global Resources Private Ltd	Loan	3,99,26,885( Cr)		4,99,76,335	8,99,03,220( Cr)
6	BS Global Resources Private Ltd	Corporate Guarantee	USD 50,00,000 @ Rs. 67.0547 given to UCO Bank and USD 30,00,000 to Habib Bank @ Rs. 67.0547 USD 80,40,000 @ Rs.67.0547 given to United Overseas Bank and USD 35,00,000 @ Rs. 67.0547 to ANZ Banking Group			1,31,02,48,838
7	BS Limited FZE	Corporate Guarantee	USD 75,00,000 @ Rs.67.0547 given to National Bank of Fujairah PJSC			50,29,10,250
8	Rajesh Agarwal	Unsecured Loan taken/ (Repayment)	57, 64,17,230 (Cr)	6,54,08,936	22,51,83,946	73, 61,92,240 (Cr)

## III) Related Party Transaction BS Global Resource Private Limited

Amount Due from Related Party	2016-17 US \$	2015-16 US \$
Related Company		
Repayment from the company	-	( 106,500)
Advance to/(from) the company	( 62,292)	-
Holding Company		
Repayment from the company	-	(2,821,750)
Advance to/(from) the company	(1,350,000)	(600,000)
Key Personnel Compensation	314,598	244,310

## IV) Related Party Transaction BS Limited FZE

Amount Due from Related Party	2016-17 AED	2015-16 AED
Related Company	228,798	-
Holding Company	734,600	734,600
Key Personnel Compensation	240,000	240,000

## 36. Earning per Share (EPS)

The Basic and Diluted EPS is Calculated as under:

Particulars	Year Ended March 31 <sup>st</sup> 2017	Year Ended March 31 <sup>st</sup> 2016
a) Profit after Tax during the year (Rs.)	(3,896,557,233)	760,156,011
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	(3,896,557,233)	760,156,011
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	44,15,41,490	44,13,98,620
- Diluted	44,15,41,490	44,13,98,620
d) Earning per Share (b/a)		
- Basic	(8.82)	1.72
- Diluted	(8.82)	1.72
e) Nominal Value per Share	1	1

The company has issued 284960 Bonus Shares in the proportion of 1:1 on the ESOP allotted during the current financial year in accordance with the approval of Shareholders . EPS reported for the Year ended 31st March 2016 has been derived considering the increase in the number of equity shares on account of Bonus shares issued in the current Financial Year 2016-17 .

### 37. Segment Reporting

The Company is primarily engaged in the business of Engineering, Procurement and Construction business (EPC) and Trading of mineral resources .

(Rupees In Lakhs)

Particulars	Year Ended	
	31.03.17 Audited	31.03.16 Audited
<b>1) Segment Revenue</b>		
Engineering, Procurement and Construction business (EPC)	70,493.21	241,126.60
Trading Business	151,418.10	189,997.09
Total	221,911.31	431,123.69
<b>2) Segment Results (EBIDTA)</b>		
Engineering, Procurement and Construction business (EPC)	(26,662.77)	32,903.78
Trading Business	2,528.52	2,611.88
Total ( EBIDTA)	(24,134.26)	35,515.66
Less : Interest	10,342.18	18,461.66
Other Un-allocable Expenditure net off	5,719.39	7,024.38
Un-allocable income	(572.44)	(942.45)
<b>3) Total Profit Before Tax</b>	<b>(39,623.39)</b>	<b>10,972.07</b>
<b>4) Segment Assets</b>		
Engineering, Procurement and Construction business (EPC)	204,403.89	254,794.57
Trading Business	33,182.22	30,168.10
<b>Total Segment Assets</b>	<b>237,586.11</b>	<b>284,962.67</b>
<b>5) Segment Liabilities</b>		
Engineering, Procurement and Construction business (EPC)	157,101.16	166,022.68
Trading Business	27,931.41	27,058.89
<b>Total Segment Liabilities</b>	<b>185,032.57</b>	<b>193,081.57</b>
<b>6) Capital Employed</b>		
Engineering, Procurement and Construction business (EPC)	47,302.74	88,771.89
Trading Business	5,250.81	3,109.21
<b>Total</b>	<b>52,553.55</b>	<b>91,891.10</b>

### 38. Statement of ESOP Vested and Exercised during the Current Financial Year.

Total ESOP Granted	Options Vested	Options Exercised	Options Vested but not Exercised	Options Lapsed	Unvested Options
9,03,707	9,03,707	4,61,983	202,849	2,38,875	-

### 39. Unpaid Dividend Account

Particulars	31st March 2017	31st March 2016
Final Dividend - Mar 11	98,350	98,350
Final Dividend - Mar 12	1,36,025	1,36,025
Interim Dividend - Mar 13	65,757	65,757
Final Dividend - Mar 14	32,102	32,457
Total	<b>3,32,234</b>	<b>3,32,589</b>

### 40. Cash Inflow/ Outflow in Foreign Currency

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Capital Purchases	Rs. NIL	Rs. 55,179
Loan to BS Limited FZE	Rs. NIL	Rs. 1,25,07,787
Loan given to BS Global Resources Pte Ltd	Rs. 4,99,76,335	Rs. 3,99,26,885
Loan given to BS Global Resources Pte Ltd- Received back	Rs. NIL	Rs. 17,96,28,844
Cash Outflow	Rs. 166,32,00,573	Rs. 108,62,58,393
Cash inflow	Rs. 41,71,86,280	Rs. 3,29,57,85,108

### 41. Disclosure on Specified Bank Notes (SBNs):

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December 2016			
Particulars	SBN's	Other Denomination notes	Total In Rs.
Closing cash in hand as on November 8, 2016	3,015,000	2,682,134	5,697,134
Add: Permitted receipts	-	180,807	180,807
Less: Permitted Payments	2,965,000	672,707	3,637,707
Less : Amount Deposited in Banks	50,000	-	50,000
Closing cash in hand as on December 30th, 2016	-	2,190,234	2,190,234

42. As per section 135 of the Companies Act 2013, a corporate social responsibility committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, health care and rural development projects. These funds were primarily allocated to a corpus and yet to be utilized for the specified purposes. The company has not fully utilized the amount provided in Financials Year 2014-15 and 2015-16.

43. The Board is apprised that the Company has been carrying forward, Trade Receivables and Trade Advances aggregating to Rs. 161.21 crores and Rs. 52.82 crores respectively in the Balance Sheet of the Company which pertain to the earlier years. Though the same have been outstanding for quite a long time, the Management was positive that the aforesaid Receivables are realizable. Accordingly, the Management had considered them to be standard and have not treated them under Doubtful Debts. However, the Company could not realize / recover any of the aforesaid outstanding Trade Receivables and Advances during the Financial Year 2015-16 and further they are outstanding till date despite the efforts of the Company.

The Statutory Auditors of the Company, have emphasized, in their Audit Report, the matter with respect to the realization of the Outstanding Trade Receivables and the Advances given by the Company which have been outstanding for more than 365 days as on the Financial Year ending March 31, 2016 and that the Financial Statements of the Company did not include any adjustment relating to the certainty of the recovery of such balances.

The Board of Directors, at its Meeting held on November 28, 2016, had resolved to revise the Financial Statements for FY 2014-15 and FY 2015-16, voluntarily, by seeking the approval of the National Company Law Tribunal ("NCLT"), in compliance with Section 131 of the Companies Act, 2013 and Rules prescribed thereunder. Accordingly, the Company has filed an application with the National Company Law Tribunal seeking approval for the Revision of the Financial Statements of the Company for the FY 2014-15 and FY 2015-16 to Write-off the outstanding Receivables and Loans & Advances over Two Financial years aggregating to Rs.110.55 Crores in the FY 2014-15 and Rs. 103.48 Crores in the FY 2015-16. The Petition is pending before the NCLT.

44. During the current financial year the company has made a provision for bad and doubtful debts amounting to Rs. 188.54 crores due to which the loss of the company has been overstated to that extent.

#### 45. BS Global Resources Private Limited

##### Financial Risk Management and Instruments

The main risk arising from company's financial instrument are credit risk, liquidity risk, fair value, market risk (interest rate and currency risk) and they are summarized below

This note presents information about company's exposure to each of the above risks, the Company's Objectives, policies and procedures for measuring and manage risk. Further quantitative disclosures are included throughout this financial statements.

The following table sets out the financial instruments as at the end of the reporting year.

Categories of Financial Instruments	2017 US\$	2016 US\$
Financial Assets		
Loans and Receivables :	20,729,112	29,333,951
Trade Receivables	12,044,153	11,219,639
Other receivables and deposits	33,64,696	23,81,436
Cash and cash equivalents		
<b>Total Financial Assets</b>	<b>36,137,962</b>	<b>42,935,025</b>
	<b>2017 US\$</b>	<b>2016 US\$</b>
Financial Liabilities		
At Amortised Cost :	94,98,481	20,043,209
Trade Payables	626,298	1,701,972
Other payables and accruals	13,327,983	
Bills Payable		10,412,980
<b>Total Financial Liabilities</b>	<b>23,452,762</b>	<b>32,158,160</b>

#### a. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss

The Company's credit risk is primarily attributable to its trade receivables, other receivables and cash and cash equivalents.

Management has a credit policy in place. Credit evaluation are performed on all customers requiring credit over a certain amount and transactions are conducted with customers with appropriate banking facilities, supported with letter of credit and appropriate credit history. The Company requires export bills to be backed by letter of credit from the buyers' bankers which are reputable and mitigating risk of default of collection.

With good credit evaluation process, credit control policies and collection procedure in place, the credit risk is mitigated substantially.

Cash is held with reputable financial institutions of good standing.

No other financial asset carries a significant exposure to credit risk.

#### b. Liquidity Risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also arise from inability of the company to sell the financial assets quickly at the close of its fair value

The Company's exposure to liquidity risk arises primarily from the mismatches of the maturities of the financial assets and liabilities. The Company's objective is to maintain a balance continuity of funding and flexibility through the use of stand-by credit bank facilities and bills discounting, thereby ensuring that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

	<b>2017</b>		
	Carrying amount US\$	Total Contractual discounted cash flow US\$	Within 1 year or on demand US\$
Trade Payables	94,98,481	94,98,481	94,98,481
Other payables and accruals	418,878	418,878	418,878
Related Party balances	-	-	-
Bills Payable	13,327,983	13,328,006	13,328,006
	<b>23,245,342</b>	<b>23,245,365</b>	<b>23,245,365</b>

  

	<b>2016</b>		
	Carrying amount US\$	Total Contractual discounted cash flow US\$	Within 1 year or on demand US\$
Trade Payables	20,043,209	20,043,209	20,043,209
Other payables and accruals	1,451,933	1,451,933	1,451,933
Related Party balances	10,412,980	10,463,454	10,463,454
Bills Payable			
	<b>31,908,122</b>	<b>31,958,596</b>	<b>31,958,596</b>

**c. Fair Value Risk**

The carrying amount of cash and cash equivalents, trade and other current receivables and payables, approximate their respective fair values due to the relative short term maturity of these financial instruments.

In view of the above the company do not anticipate that the carrying amount recorded at the financial position date would be significantly different from the values that would eventually be received or settled

**d. Interest rate risk**

Interest Rate risk is the risk that the value of financial instrument will fluctuate due to the changes in market interest rates

The Company's exposure to changes in interest rates relates primarily to its interest bearing borrowings. Interest rate risk is managed by the company on an ongoing basis with the primary objective of obtaining competitive interest rates and limiting the extent to which net interest expenses would be affected by an adverse movement in interest rate.

The Company's exposure to interest rate is insignificant as most of the borrowings are at fixed

interest rates. Sensitivity analysis is not performed as the impact is insignificant.

The Company has no policy to hedge against its interest rate risk

**e. Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company is exposed to foreign currency risk as a result of transactions denominated in foreign currencies other than United States dollar, arising from normal trading activities

There is no formal hedging policy with respect to the foreign exchange exposure. Exposure to exchange risk is monitored on an ongoing basis and the company endeavors to keep the net exposure at an acceptable level. Sensitivity analysis is not performed as the impact on the financial instruments is insignificant.

46. Figures for the previous year have been rearranged/ regrouped / recast wherever necessary to conform to the current year presentation/ classification.

47. Figures are rounded off to the nearest rupee

**See accompanying notes to the financial statements**

**For P Murali & Co**

Chartered Accountants  
Firm Regd. No.: 007257S

For BS Limited

**Rajesh Agarwal**  
Managing Director

**Arun Dogra**  
Whole Time Director

**Dimple Kaul**  
Director

**P. Murali Mohana Rao**

Partner  
M.No. 023412  
Place : Hyderabad  
Date : 29.05.2017

**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 / Associate Companies / Joint Ventures**

**Part "A": Subsidiaries**

(Information in respect of each Subsidiary to be presented with Amounts in Rs. )

S.No	Particulars / Name of the Subsidiary	BS Global Resources Private Limited	BS Limited FZE
1	Reporting period for the Subsidiary Concerned, if different from the Holding Company's Reporting Period	NA	NA
2	Reporting Currency of the case of Foreign Subsidiaries.	USD	AED
3	Exchange Rate as on the last date of the relevant Financial year	67.0547	17.659
4	Share Capital	359,522,888	6,484,390
5	Reserves & Surplus	493,087,612	192,415,650
6	Total Assets	2,425,236,220	1,526,331,531
7	Total Liabilities	1,572,625,719	1,217,991,116
8	Investments	NIL	NIL
9	Turnover	9,138,714,523	6,003,095,074
10	Profit Before Taxation	88,931,745	110,137,750
11	Provision for Taxation	4,713,419	-
12	Profit After Taxation	84,218,326	110,137,750
13	Proposed Dividend	NIL	NIL
14	% of Shareholding	100%	100%

**Notes: The following information shall be furnished at the end of the Statement:**

- Names of Subsidiaries which are yet to commence operations
- Names of Subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

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

S.No	Name of Associates/Joint Ventures	Raichur Sholapur Transmission Co. Pvt. Ltd
1	Latest Audited Balance Sheet Date	March 31, 2017
2	Shares of Associate / Joint Ventures held by the Company on the year end:	33.33%
	No. of Shares	26,664,000
	Amount of Investment in Associates / Joint Venture	266,640,000
	Extent of Holding %	33.33%
3	Description of how there is Significant Influence	more than 20% share holding
4	Reason why the Associate / Joint venture is not consolidated	Not Applicable
5	Networth attributable to Shareholding as per Latest Audited Balance Sheet	238,877,127
6	Profit / Loss for the Year	(29,217,669)
	Considered in Consolidation	(9,738,249)
	Not Considered in Consolidation	-

**See accompanying notes to the financial statements**

**For P Murali & Co**

Chartered Accountants  
Firm Regd. No.: 007257S

For BS Limited

**Rajesh Agarwal**  
Managing Director

**Arun Dogra**  
Whole Time Director

**Dimple Kaul**  
Director

**P. Murali Mohana Rao**

Partner  
M.No. 023412  
Place : Hyderabad  
Date : 29.05.2017





---

If undelivered, please return to Address below:



**BS Limited**

CIN: L27109AP2004PLC042375

#304, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad - 5000 034, Telangana, India.

Phone: +91 40 4455 8888 | Fax: +91 40 6666 7268

[www.bslimited.in](http://www.bslimited.in)

---