

BMW GROUP LIMITED
H. G. Müller
Chairman of the Board

Transforming our DNA

BMW INDUSTRIES LIMITED | ANNUAL REPORT 2017-18

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Transforming our *DNA*

The business of steel manufacturing and processing has been rightly perceived as asset-heavy and low margin, marked by high mortality.

BMW Industries Limited has selected to rewrite industry rules by repaying debt, working with a relatively smaller Balance Sheet, extending its value-chain, increasing value-addition and enhancing product quality.

This contrarian approach was not arrived at by transforming our business model but something more fundamental.

Transforming our DNA.

11 things you need to know about BMW Industries Ltd.

1 Background

BMW Industries Limited, a prominent industrial group in Eastern India, was established in 1981, after the late Mr. Sadhu Ram Bansal formed the organisation in 1965. The present management possesses more than three decades of hands on experience in the steel industry. The Company possesses arguably India's largest steel processing capacity, among the largest tube manufacturing capacities in Eastern India and one of the largest cold rolling & continuous galvanizing plants in India.

2 Products and services

BMW Industries Limited is engaged in the manufacture of two types of products - long products (towers, structures and TMT) and flat products (pipes, galvanised plain and galvanised corrugated). The Company is engaged in the galvanizing of tubes in addition to the manufacture of tubular poles/structures, transmission line towers and rebars.

Tolling

- HR sheets and slit coils
- HR Pickled and Oiled coils (HRPO)
- HR blanks
- Pipes – (black and GI)
- CR sheets and slit coils
- Galvanised Plain coils (GP coils)
- Galvanised corrugated sheets
- Full Hard Cold Rolled coils (FHCR)
- TMT rolling

Proprietary business B2B products

- Structures and towers
- Pipes and poles

Proprietary business B2C products

- Bansal TMT
- Bansal pipes
- Bansal super structure

3 Robust range of facilities

BMW Industries Limited comprises two Steel Service Centres in West Bengal and three in Jamshedpur. These centres employ diverse material pre-processing technologies comprising slitting, shearing, levelling, blanking, pickling, oiling and corrugation.

4 Extensive scale

Over the years, the Company has grown revenues year-on-year: from ₹569 cr in 2013-14 to ₹945 cr in 2017-18. A high proportion of revenues derived from steel processing translated into stable margins, high volumes and revenue visibility.

5 Ethical pedigree

Vision

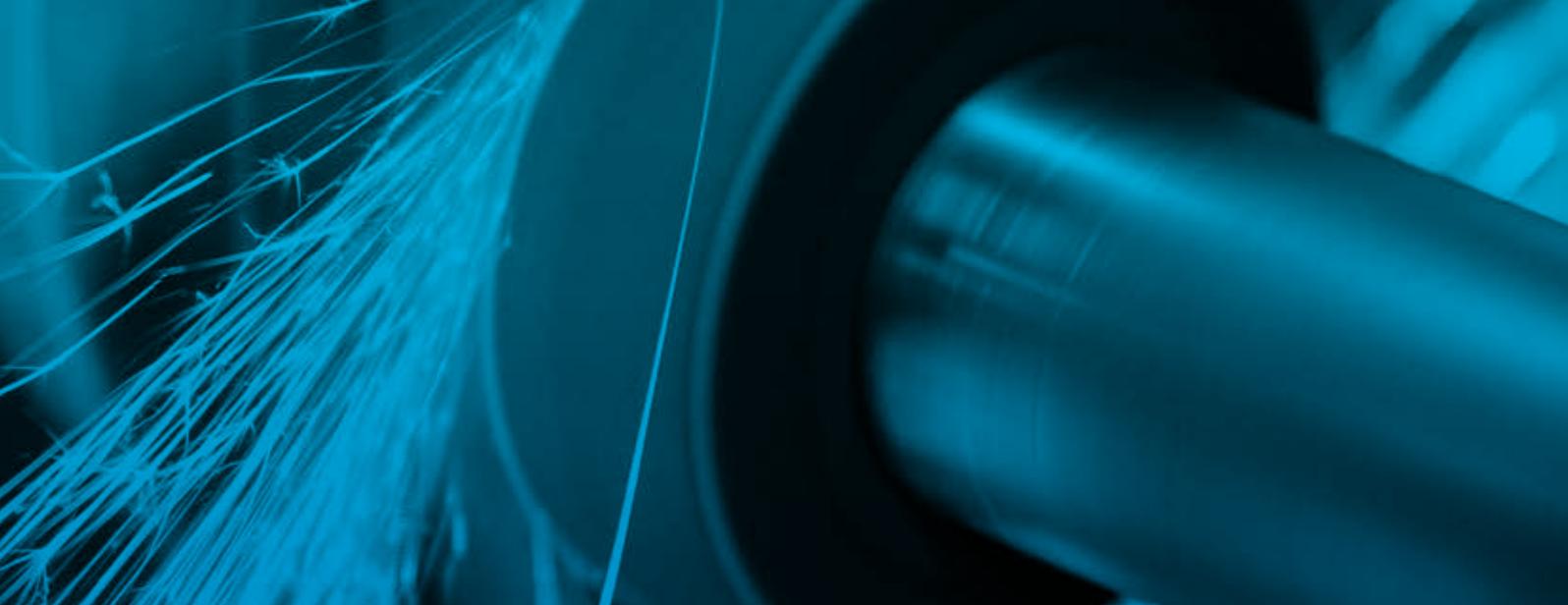
BMW Industries Limited should be a globally admired organization that enhances the quality of life of all stakeholders through sustainable business development.

Mission

- Spirit of entrepreneurship and innovation
- An optimum utilization of resources
- Sustainable eco-friendly procedures
- The highest level of ethics and standards
- The hiring, developing and retaining of high-performing employees
- The maximization of returns to shareholders
- A positive impact on the communities

Core values

- Staying passionate about people and its business practices
- Maintaining a sense of trust, integrity, ownership and belonging
- Developing in a sustainable manner



6 Financial credibility

The Company strengthened credit rating (India Rating) to A- (2017) from BBB+ (2016). Previous ratings comprised BBB+ (2015), BBB- (2014), BBB (2013) and BB (2012). The Company has been repaying more than ₹50 cr of debt a year while strengthening its business around a culture of austerity.

Year	2014	2015	2016	2017	2018
Debt (₹ cr)	648.56	592.53	533.67	480.84	435.02

7 Our manufacturing facilities

Argori, Howrah: The Company produces TMT, structurals and poles at this facility. The galvanizing facility is passing through a technology upgrade. The unit houses a flat products service centre.

Ghusuri, Howrah: This facility is used for the manufacture of MS pipes. It comprises two lines: for the manufacture of high and low diameter pipes.

Manifit, Jamshedpur: This facility specialises in flat product processing, including high precision slitting for special tubes, HR and CR coils as well as HR blanking for the auto

industry. The unit also houses corrugation machines for galvanised steel sheets.

Adityapur, Jamshedpur: This facility comprises speciality flat processing facilities.

Gamharia, Jamshedpur: This state-of-the-art facility was developed with an investment of over ₹400 cr in 2012. The plant has three key operations for processing flat products. This zero discharge facility comprises a pickling line, reversing mill and continuous galvanizing line supplied by SMS - Germany, apart from several downstream processing facilities.

8 Listing

BMW Industries Limited is listed on the Calcutta Stock Exchange (CSE) and intends to list on the Bombay Stock Exchange in 2018.

9 Our brand

The Company markets proprietary products under the Bansal Super brand. The brand enjoys a longstanding reputation for product dependability, ethical practices and accessibility.

10 Principal customers

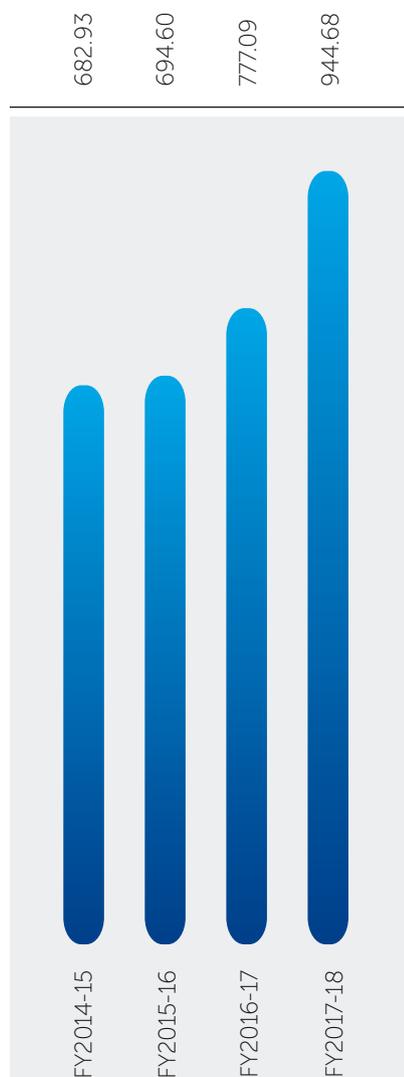
The Company addresses the growing appetite for secondary steel products across the following user industries: construction and building materials, infrastructure, engineering, automobiles and consumer durables as well as agriculture and water transportation.

11 Employees

The Company comprises 796 full-time employees and 711 contractor workers. The non-worker proportion of the Company comprised 43 managers (5% of the Company). The average age of the Company's employees was 40 as on 31 March 2018. Nearly 58% of the employees were based in Kolkata and 42% in Jamshedpur. The core capability of the employees comprised deep engineering competencies reflected in a culture of steel manufacturing excellence.

Our improving performance over the years

Revenues (₹ cr)



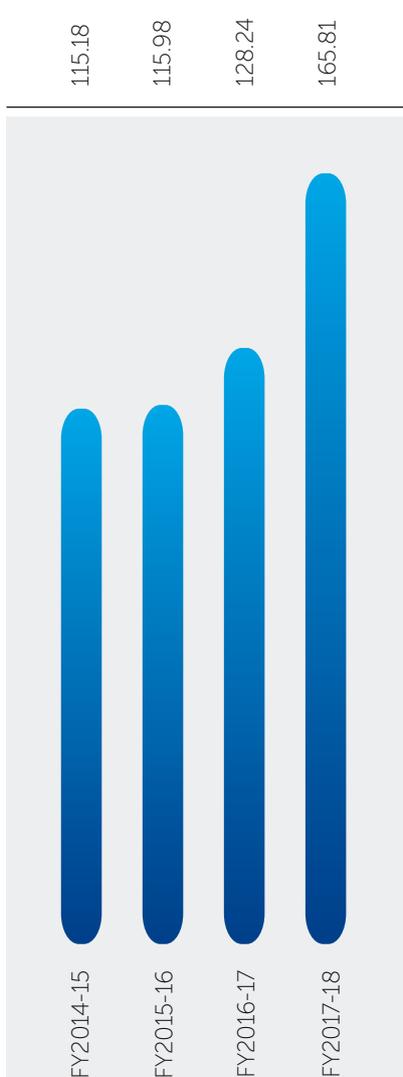
Performance, FY2017-18

Aggregate sales increased 22% to reach ₹944.68 cr during FY2017-18 followed by increased demand and realizations.

Value impact

Improved product off take strengthened the Company's marketplace.

EBITDA (₹ cr)



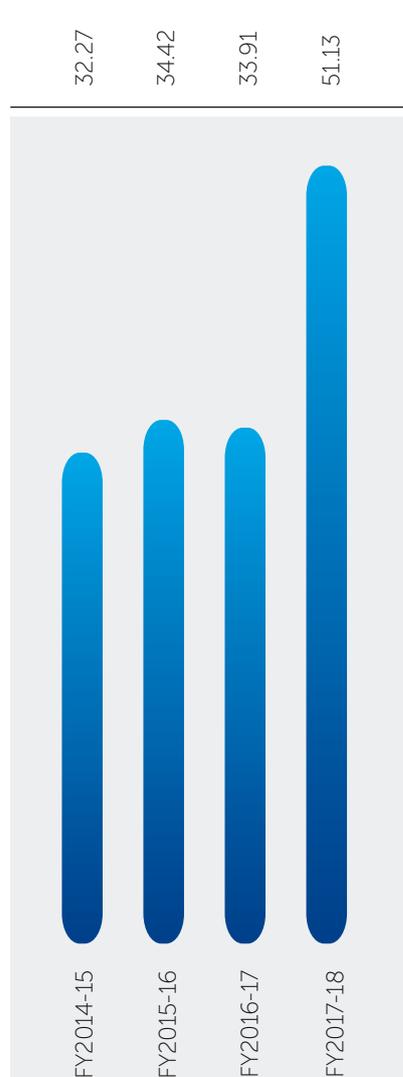
Performance, FY2017-18

The Company's EBITDA grew 29% due to increased capacity utilization.

Value impact

A high EBITDA highlights the Company's operational efficiency and stable earnings potential.

Net profit (₹ cr)



Performance, FY2017-18

The Company's PAT improved 51% over the previous year.

Value impact

An improved PAT ensures that adequate resources are available for reinvestment, sustaining growth.

ROCE (%)



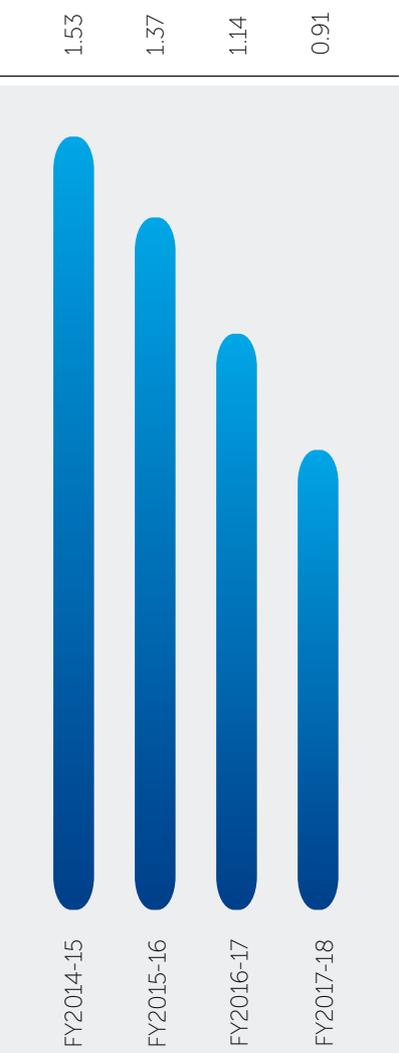
Performance, FY2017-18

The ROCE of the Company improved 184 bps over the previous year, providing reasonable returns to shareholders.

Value impact

An enhanced ROCE can potentially drive valuations and visibility.

Debt-equity ratio (x)



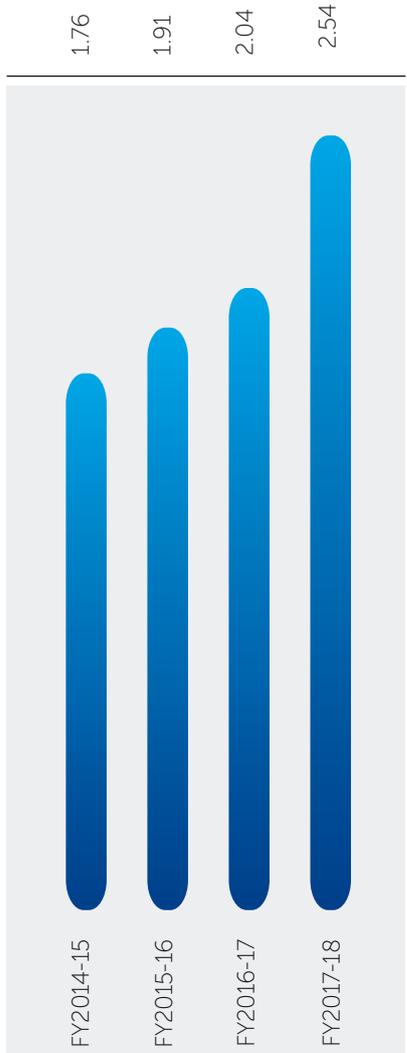
Performance, FY2017-18

The Company's debt-equity ratio improved from 1.14 to 0.91 over five years largely due to repayment of debts from internal accruals.

Value impact

A low debt-equity ratio provides adequate borrowing room to sustain growth.

Interest cover (x)



Performance, FY2017-18

The interest cover of the Company strengthened 2.54 x on the back of steady debt repayments arising out of increased cash flows.

Value impact

A healthy interest cover indicated the Company's ability to seamlessly address debt servicing and repayment obligations.

Statement of purpose

At BMW Industries, our objective is to emerge as a distinctive company in India's steel processing and manufacturing sector.

What most steel companies are

Focused on the manufacturing of longs or flats

Debt-heavy

Tangible investment-driven

High receivables

Low revenue visibility

Weak credit rating

Vulnerable to market cycles

What BMWIL wants to be

Focused on service and manufacturing

Progressively debt-light

Intangible investment-driven

Low receivables

High revenue visibility

Strong and improving credit rating

Profitable across market cycles

Strategic direction

At BMW Industries, our objective is to emerge as a sectoral nugget – a company respected for its service, Balance Sheet strength and business sustainability.

Where we are

Revenues of ₹945 cr, 2017-18

Long-term debt of ₹212 cr and short-term debt of ₹222.42 cr as on 31 March 2018

Presence in six product segments

11% of revenues derived from the B2C segment of the proprietary business

A-/Minus credit rating

Where we intend to go

Projected revenues of ₹2000 cr, 2022

Zero long-term debt as on 31 March 2022, strengthening its liquidity, Balance Sheet and credit rating.

Presence in additional product segments

39% of revenues derived from the B2C segment of the proprietary business by 2022

Stronger credit rating; lower cost of debt

Our integrated report

Strategic focus →

Innovate and excel



Cost leadership



Key enablers →

Nurturing a culture of cost management, product quality excellence, deep distribution network and brand strengthening.

Focused on cost management through investments in superior manufacturing technologies, scale, integration and terms of trade.

Material issues / addressed →



Launched new products



Countered raw material cost volatility

Capitals impacted →

- Manufacturing
- Human
- Financial

- Financial
- Manufacturing
- Intellectual
- Natural
- Human
- Social

Supplier of choice



Focus on superior product quality, operational transparency, service, customised product creation, value-addition and overall price-value proposition



Improved vendor connect

- Financial
- Manufacturing
- Intellectual
- Social

Robust people practices



Facilitated personal/professional development. Marked by competitive remuneration and fair contracts for suppliers. Employees increased from 704 in FY14 to 796 in FY18



Strengthened employee retention

- Intellectual
- Human
- Financial

Responsible corporate citizenship



Engaged in community-strengthening initiatives near its manufacturing facilities (Jamshedpur and Kolkata)



Benefited the community around the workplace

- Social and Relationship
- Natural
- Financial

Focus on value creation



Committed to the downstream manufacture of value-added steel varieties as well as forward integration (end product of one business process becomes the raw material of the other)



Addressing customer needs

- Financial
- Manufacturing
- Intellectual
- Social

Our resources →

How we create value

Financial Capital

The financial resources we depend on are based on the funds we mobilise from investors, promoters, banks and financial institutions (debt or net worth) as well as our accruals. The Company re-pays around more than ₹50 cr debt a year.

Manufacturing Capital

Our manufacturing assets and technologies constitute our Manufacturing capital. The logistics of raw materials and finished products are integral to our manufacturing competence.

Human Capital

Our management, employees and contract workers form our workforce. Their collective skills and experience are contributors in our value-creation journey.

Intellectual Capital

A major business differentiator is our culture of innovation. Cost optimisation, operational excellence and proprietary knowledge constitute our intellectual resources.

Natural Capital

We depend on raw materials sourced from nature, including minerals such as coal, zinc and other fluxes; our operations have a relatively low impact on the natural environment as we are largely a processing company.

Social and Relationship Capital

Our relationship with communities and business partners (vendors, suppliers and customers) play a key role in ensuring our social license to operate, making us a responsible corporate citizen.

Value created



Value shared with...

Financial Capital

Turnover ₹944.68 cr
Earnings per share ₹2.27
Face value per share ₹1.00



Investors

We have improved earnings and shareholder returns through profit growth and debt reduction.

Manufacturing Capital

Sale of goods ₹535.18 cr
Sale of services ₹381.80 cr
Transportation charges recovered ₹27.70 cr



Suppliers

We have grown the quantum of purchases, resulting in stable raw material supply, longstanding relationships and engagements for mutual growth.

Human Capital

Number of employees 796
Remuneration quantum ₹17.27 cr
Person-hours of training 5250
Average age 40



Employees

By developing skills, we are preparing leaders. We provide stable employment in addition to creating a healthy working environment, enhanced workplace safety by continuous investment and on job training for skill enhancement.

Intellectual Capital

% of employees retained for 5+ years 44



Customers

We plug market needs and provide a first-rate product quality that takes the applications and businesses of our customers ahead; we work as extensions of our customers workplace.

Natural Capital

Acid recycled: 16600 kl
Water recycled: 15328 kl
Investment in environment equipment ₹63.56 lakh



Government and regulations

We are a responsible corporate citizen engaged in ethical conduct and a high standard of governance, strengthening business sustainability.

Social and Relationship Capital

Community beneficiaries Villages near NH6 and Bokaro comprising tribals
Number of vendors 7700
Purchases from vendors ₹707.80 cr
Investment in CSR ₹81.94 lakh

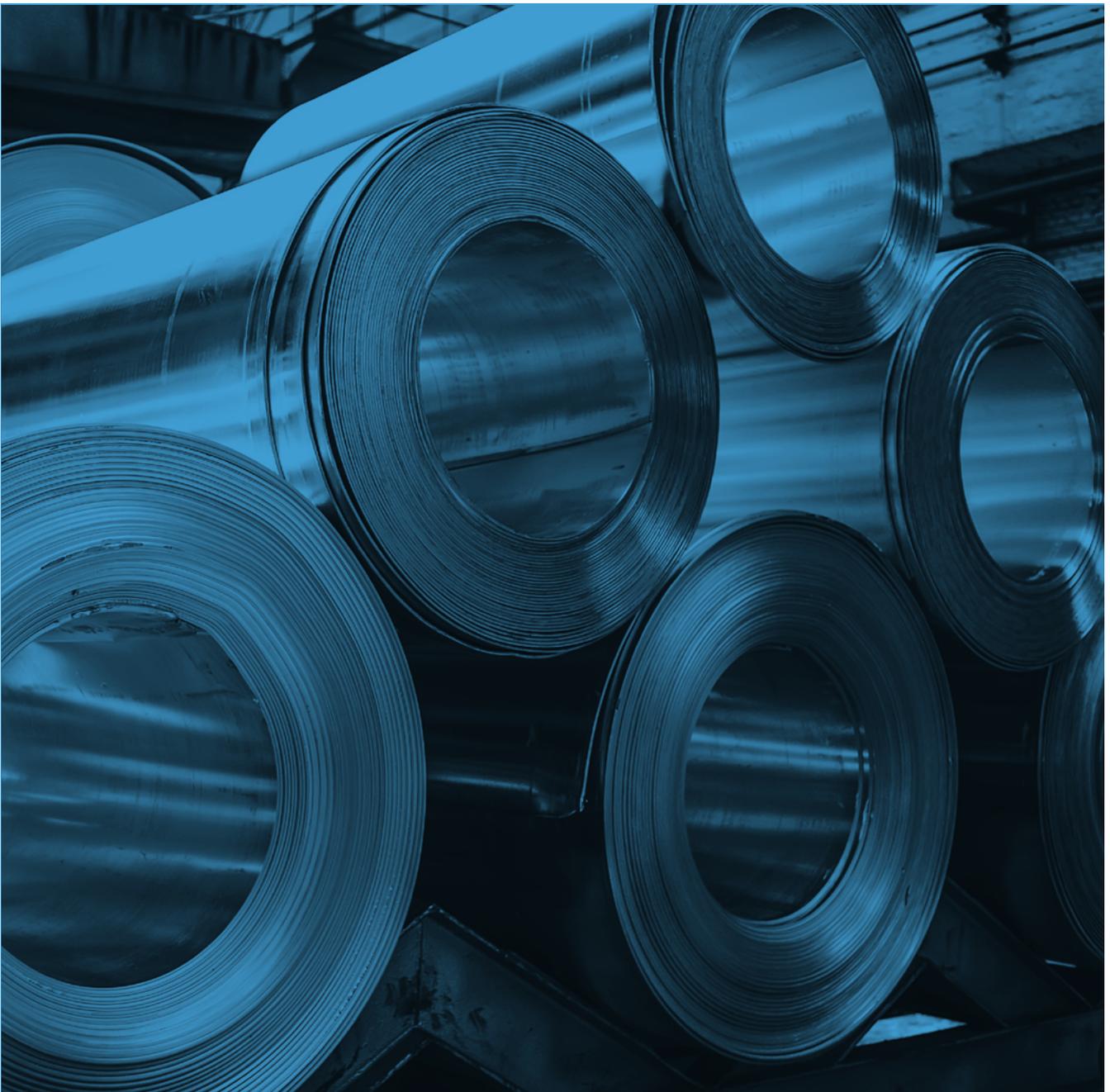


Communities

We are engaged in harmonious long-term relationships with communities where we operate.

Chairman's overview

“By transforming our DNA, we expect to grow faster, more profitably and more sustainably”



I am pleased to present this 2017-18 performance report for the attention of our shareholders around the time of the listing of our company on the Bombay Stock Exchange. The principal message that I wish to send out is that our steel processing and steel products marketing business remained liquid and profitable through the extended steel sectoral slowdown across the last decade. The fact that this outperformance happened at a time when most steel companies in India ended up in the red only validates the robustness of our business model and organisational discipline.

During the course of this extended slowdown, BMWIL grew revenues and profits every single year of the last five years. The Company enhanced EBITDA margins from 16.56% in 2013-14 to 17.55% in 2017-18, repaid an aggregate ₹213.54 cr in debt while addressing a cumulative ₹221.52 cr in interest payments and enhancing ₹155.17 cr in net worth across the four years ending 2017-18.

This sustained outperformance was the result of the Company's conscious preference for some old-fashioned virtues: the need to prioritise business sustainability over a fleeting spike in profitability, the need for controlled growth over high unsustainable profit movement, a commitment to serve customers over a singular profit focus, a sustained culture of fiscal austerity and a preference to run a growing business around a smaller Balance Sheet.

During the year under review, this momentum was sustained: the Company reported a 22% growth in revenues and a 51% increase in profit after tax. This profitable growth – percentage increase in profit after tax being higher than the percentage increase in revenues – was reflected in our margins: the Company added 105 bps to its EBITDA margin during the year under review and strengthened by

184 bps its Return on Capital Employed to 5.60%.

We believe that this medium-term sectoral outperformance validates the value proposition of the organised steel processing sector in India in general and BMWIL (arguably the sector's largest proxy in India) in particular.

The GST inflection

The biggest tailwind for the Indian steel processing sector was the GST implementation from July 2017. For years, the organised Indian steel processing sector had been relatively uncompetitive when compared with the unorganised segment. The unorganised steel processing segment worked largely outside the ambit of the country's taxation system and utilised this saving to compete fiercely with organised companies like ours (fulfilling complete statutory compliances).

The result of this inequity was that the Company was compelled to shut its structural rolling mill for four years with nearly 80% of the local offtake accounted by unorganised manufacturers. The Company was relatively under-equipped to invest in additional capacities or value-addition, preventing downstream markets from achieving their true consumption potential.

Our surplus allocation strategy

Surplus generated
Cash profit, 2017-18

₹98.72 cr

Surplus allocated
Debt repayment

₹55 cr

Capital expenditure

₹10 cr

Working capital

₹33.49 cr

Dividend

₹0.23 cr

Spirit of BMWIL

When our conversion business principal set out to outsource the manufacture of cold rolled galvanised steel, the apprehensions were considerable.

This was possibly the first time that the manufacture of galvanised cold rolled steel was being outsourced anywhere in the world.

The product and process warranted a high degree of specialisation.

Besides, BMWIL was not experienced in processing this product.

There was a general estimation that the plant would take at least six months to stabilise output and quality.

BMWIL addressed these challenges through prudent equipment selection, extensive team training and production planning.

The result was unexpected. The third production batch that the Company rolled off its machines was considered fit for sale. The principal started selling the end product from day one.

The bigger message now is that BMWIL's product has withstood the rigours of the elements across the four years of use – without material erosion or quality decline.

BMWIL leveraged its rich engineering that helped make the product right the first time by leveraging its long standing relationship with its large and repeated tolling partner.

The scenario has since reversed. Following the implementation of GST, the cost differential between organised and unorganised manufacturers has virtually disappeared. The unorganised players are finding it increasingly difficult to mobilise working capital from banks, considering that they possess weak Balance Sheets. On the other hand, organised players like BMWIL are better placed to leverage economies of procurement, branding, logistics, certifications, quality and distribution to provide customers with a superior price-value proposition.

The impact has been as extensive as it has been immediate: a number of unorganised manufacturers could no longer compete in 2017-18 as it became increasingly difficult to manufacture without incurring tax incidence, for which they were not prepared when buying raw materials or selling finished goods. The result is that within the space of just a few months, the organised sector accounted for 80% of product offtake, providing organised manufacturers an incentive to re-invest in their businesses and strengthen the capex cycle within the country's steel sector. Going ahead, we believe that India's organised steel processing companies will grow faster, making it imperative for companies like ours to strengthen our business model.

A case for optimism

At BMWIL, we are optimistic of the overall improvement in sectoral prospects.

My optimism is based on the economic revival within India, increased infrastructure spending, stronger disposable incomes and better lifestyle aspirations translating into a higher retail offtake of steel products coupled with protective tariffs by the government to the Indian steel industry.

The first point that deserves to be highlighted comprises the implementation of the Bharatmala road building programme, which will cut through a number of states and is easily the largest single infrastructure project in the history of the country. We believe that the estimated ₹6.92 lakh cr of spending will generate the next foundation of national growth that will be reflected in the construction of peripheral buildings along a part of the route. This massive infrastructure push will enhance national incomes for construction companies, vendors, workers, employees and the rest of the eco-system that could translate into additional building needs and the related offtake of correspondent steel products. Besides, the Housing for All programme envisages the investment of ₹200,000 cr in the construction of 2 cr houses by 2022, possibly the largest home building programme undertaken in the country's existence and, perhaps, anywhere in the world today.

The second point that could prove business-strengthening is the application of the Insolvency and Bankruptcy Code in the country's steel sector, with some of the large steel companies changing ownership. We believe that the ownership change will regularise their operations and enhance the availability of quality billets, strengthening our raw material security.

The third point that needs to be highlighted is that following one of the most extended steel slowdowns over the last decade, there are no greenfield ventures being proposed in the sector. This means that the existing players will be better placed to grow their businesses, consume their under-utilised capacities and strengthen their overall profitability.

BMWIL is attractively placed to capitalise. Following our consistent service delivery

to one of India's best private sector steel companies, with whom we enjoy a long-term business relationship, we believe that volumes from this esteemed customer will continue to grow. Besides, our progressive investments in growing the proprietary segment of our business will scale across the business-to-business (B2B) and business-to-customer (B2C) segments. The combined result could translate into higher growth over our retrospective average.

Our business strategy

At BMWIL, we seek to invest in our business – with a difference.

Going ahead, the Company will seek asset-light growth: by seeking to grow revenues through enhanced asset utilisation, enriched portfolio mix by graduating to higher value-added product varieties and seeking to manufacture products in contiguous spaces where we can leverage our existing assets and competencies.

More importantly, the Company will seek to increasingly invest in the intangibles of its business: in creating a wider and deeper distribution network that addresses

opportunities faced by its proprietary business. This will make it possible for the Company's brands to be available in every Bengal district and every village before the Company extends to contiguous states. We believe that by increasing the B2C proportion of our proprietary business, we would be spreading our sales risk across a larger number of distributors and retail customers. The B2C engagement will make it possible for us to price better and shrink the receivables cycle, strengthening overall profitability.

Besides, we intend to invest more extensively in our brand. The 'Bansal' brand has been widely respected in B2B circles on account of its long-standing steel processing capabilities and presence. The time has come for us to capitalise more extensively on this credible foundation by enhancing brand visibility and reinforcing our recall for product dependability and ethical practices.

We believe that a complement of these initiatives should translate into a 10-15% growth in conversion volumes (on a larger base), 30% growth in proprietary business

volumes and an overall revenue increase of 20-25% coupled with profitable growth.

Outlook

At BMWIL, we have transformed our DNA in the last few years.

We are consciously graduating from a resource-heavy Balance Sheet to an asset-light equivalent. We are moving from relatively frozen margins towards value-addition. We are evolving from a manufacturing-centric focus to a market-led approach. We are transforming from a debt-driven growth story to an accruals-driven blueprint.

It took BMWIL more than 36 years to emerge as a ₹945 cr revenues company. We believe that we would be in a position to replicate this growth in only three years and emerge as a zero-debt company by 2022 without incurring any fresh capital expenditure.

The big message then for all our stakeholders is that we stand at the cusp of an unprecedented opportunity.

RG Bansal, Chairman

BMWIL's cost leadership is derived from...



“The Company increased the volume coming out of conversion and proprietary business segments, which indicates that we succeeded in addressing the expectations of both segments”

Q: Was the management pleased with the working of the Company in 2017-18?

A: During the year under review, both teams delivered and even though on the overall the Company under-shot its revenues target by about 5%, the management was reasonably satisfied with the performance – for some good reasons.

One, the Company increased the volume coming out of the conversion and proprietary business segments, which indicates that we succeeded in addressing the expectations of both segments. The challenge was always in being able to address the growing needs of our large conversion partner and then addressing the growth needs of our proprietary business; the fact that we could grow our conversion business 13% and our proprietary business 29% by volume indicates that it was a satisfying year.

Q: What were some of the reasons that strengthened both businesses?

A: Over the years, the Company selected to verticalise its businesses, which means that there were mutually exclusive teams addressing both businesses. These teams had been empowered to take immediate decisions and grow their respective businesses. The success of the model was validated: each team responded to their respective priorities with speed and sensitivity. The senior management, for its part, balanced both interests: it continued to ensure that there was no conflict of interest in growing our proprietary business at the expense of the conversion business. We ended the financial year under review with both business segments attractively placed to grow from this point onwards.

Q: How did the Company generate attractive growth from its young proprietary business?

A: The Company had various alternatives when faced with the need to grow its distribution business: whether to cover the relatively saturated urban and semi-urban markets or push deeper into the rural; whether to cover one state or carpet-bomb its presence across a number of states in the desire to grow scale with speed. The Company addressed these challenges through a relatively lateral approach: the Company selected to deepen its presence through one state, strengthening its presence across every district and thereafter right down the last village. We believe that such an approach will strengthen our ability to service every retail demand upturn at a time when India is experiencing higher disposable incomes. We also believe that this deep distribution pipeline will make it possible to introduce a number of other B2C steel products required by retail consumers, strengthening our ground-level connect. We believe that this approach will make it possible to carve out a larger share of the consumer's wallet as well the dealer's revenue share. This need to go deep into the state also translated into distribution synergies that made it possible to enhance economies of brand and contiguous presence, strengthening the confidence of our trade partners. The result of this approach is that the Company grew its B2C segment of the proprietary business by 29% during the last financial year; the segment accounted for 57% of the Company's revenues in 2017-18.

Q: Why did the Company select to deepen its presence largely in only one state – Bengal – in 2017-18?

A: There were a few reasons for this. One, the Company felt that there were large parts of Bengal that were relatively untouched as far as the retail penetration of steel products was concerned. In view of this, it felt that a first-mover's presence in these locations would translate into enhanced offtake and sustained customer loyalty. We also believe that even as going deep in one state is relatively slow when compared with going wider across a number of states, it is far more effective: the advantage of being in contiguous districts provides the management with the confidence of enhancing brand spending, which then tends to get amortised more effectively across districts, especially when a consumer travels and sees the brand across locations. Besides, creating a compact distribution network with allocated responsibilities across dealers makes them drill deeper within their respective footprints, making it possible to mine sales more effectively.

Q: What was the big challenge that the Company faced during the year under review?

A: The GST implementation from July 2017 reversed a long-standing inequity: by making it difficult for those steel processors working outside the country's tax system to exist, a number were compelled to discontinue operations. The result is that a number of organised processors who had worked with relatively under-utilised capacities in the past now occupied the vacated sectoral space, accounting for a major share of market offtake. Our principal

Topline is vanity, bottomline is sanity and cash will always be king

challenge during the year was getting our distribution network in place to address this sudden opportunity.

The Company addressed this opportunity through a combination of various initiatives: one, it widened its distribution footprint and reinforced this business around the culture of efficiency in its conversion business: which mean that the Company focused on shrinking its receivables cycle and seeking longer credit from its vendors, strengthening overall working capital management. The highlight of this business was that in a commodity space like secondary steel products, we were able to increase cash-and-carry trade terms across retail revenues, helping moderate our B2C receivables cycle from 85 days of turnover equivalent to 80 days.

Q: How did the Company strengthen its business for the future?

A: One of the most decisive business-strengthening initiatives that we undertook during the last financial year was the continuous repayment of long-term debt. At the end of the profitable year, the repayment and net worth accretion strengthened our debt-equity ratio: from 1.14 in 2016-17 to 0.91 in 2017-18. Besides, our decision to

rationalise the size of our banker consortium from nine to three (including the country's largest bank) made it possible to reduce the cost of our debt by 200 bps by the end of 2017-18. Even after the Company mobilised additional working capital loans to fund its growing proprietary business, interest cover strengthened from 2.04 to 2.54 during the course of the year, indicating the growing competitiveness our business.

Q: What is the outlook for the Company during 2018-19?

A: The Company expects to scale volumes across both its business segments during the current financial year. The proprietary B2C volumes should increase as the Company leverages its distribution network more effectively. The proprietary B2B volumes should grow as the Company leverages its brand better, coupled with a decline in receivables, strengthening liquidity. Besides, our decision to allocate surpluses towards progressive debt repayment on the one hand and invest in working capital on the other should cumulatively account for a lower intensity of interest in our overall expenditure, strengthening our overall profitability.

Our strategy for 2018-19

Capital allocation: Repay debt; right-size the Balance Sheet

Increase proprietary business: Increase proprietary volumes to 67% of overall (from 57%, 2017-18)

Sweat assets better: From 73% in 2017-18 to an estimated 79%.

Explore contiguous segments: Strengthen the product basket

Strengthen credit rating: Strengthen credit rating upwards of A-/Minus

Negotiate lower debt cost: Leverage improved (targeted) credit rating

Monetise non-core assets: Enhance liquidity; reinvest in the core business

Engage in moderate capex: Not more than around ₹6-10 cr

Strengthen working capital efficiency: Reduce proprietary B2B receivables (80 days to 50 days)

Our growth drivers

Branded proprietary products business

Manufacturing cost advantage

Cutting-edge technologies

Widening products bouquet

Wider geographic footprint

Business model

How we have selected to grow our business

Best, not largest: The Company believes that long-term sustainability is derived from being the best in one's chosen business – and not necessarily being the largest. In line with this conviction, the Company is focusing on growing its business around a relatively small Balance Sheet, larger proportion of revenues being derived from value-added products, cost austerity and asset-lightness.

Singular focus: The Company has selected to focus on the opportunities coming out of India's steel sector (especially in downstream steel processing, branding and marketing). The Company has consciously resisted the temptation to go upstream around the conviction that this would completely alter the dynamics of the business whereby it would be compelled to process and market downstream products with the objective to maximise capital-intensive core steel making asset utilisation, compromising realisations and brand. Besides, the decision to focus on downstream processing has been consistently validated by the fact that there exists a large under-consumed population related to the steel industry in India on the one hand and a low penetration of value-added steel varieties in the country's mix. As an extension of this focus, the Company intends to monetise non-core investments and plough proceeds in growing the core business.

Governance commitment: The Company is an ethical player, responding with a sense of governance. Over the years, this governance has reflected in complete alignment with the certification and compliance needs of its business, Chinese walls between its conversion and proprietary business verticals, workplace safety, no loss of life or

limb related to its operations, zero liquid effluents discharge facilities, respect for human dignity, commitment to partner / customer interests and addressing statutory obligations.

Relationship-driven: The Company's success has been largely driven through the power of relationship management. The Company's enduring engagement as a steel processing partner with the largest private sector steel company in India for the last 26 years is proof. This relationship has consistently grown in volumes, products and revenues, making the Company integral to the evolving business plan of its partner. This relationship has grown through product customisation, transparency, values alignment and proactive capacity enhancement in line with the partner's growth agenda.

Conversion and proprietary approaches:

The Company possesses a flexibility in its market-facing approach. On the one hand, the Company is engaged as a downstream steel processing partner, where the raw material is provided by the partner and the focus is on efficient conversion and logistical solutions (the basis of remuneration). During the last few years, the Company focused on growing its proprietary business, where the Company procures raw material, processes and markets products on its own books. The decision is in line with growing infrastructure investments in the country as well as a growth in disposable incomes, both resulting in a larger steel consumption. The increase in the quantum and proportion of proprietary revenues represents a re-balancing and broad-basing of business interests.

Gap-focused: The Company has leveraged its extensive understanding of the product, sector and markets to identify gaps and productise thereafter. Inevitably the Company has focused on gaps with a value-addition bias, strengthening return on employed capital.

Value-creation: The conversion business is integral to the concept of steel processing where a large steel manufacturing partner focuses on specialisation related to volume-based economies and quality while the steel processing partner focuses on processing-based economies and servicing the relatively small processing volumes of downstream customers (of the partner), strengthening the latter's brand. Besides, the ability of the Company to invest in a growing scale of processing capacities, coupled with specialisation-driven efficiencies, has translated into enhanced value for the partner company.

Value-addition: The Company is focused on building on its established competence in the processing of billets and HR coils to create a family of progressively value-added products. Within the HR coils segment, the Company produced pipes and poles; within pipes, the Company graduated to the black and galvanised varieties (the highest value-added segment). The Company processed billets to manufacture structural and TMT bars; the Company processed structurals to produce towers (the apex of the product pyramid). The objective of the Company would be to enhance the proportion of value-added products, strengthening overall profitability.

Contiguous products: Over the years, the Company has leveraged the extensive knowledge of its conversion partner and extended from the processing of one product to a range of products. These products are contiguous, making it possible to leverage the knowledge derived from one product in the processing of related products. The result has been quicker technology absorption and the ability to broadbase risk from an excessive dependence on one product to across an entire basket. Besides, this broadbasing has also helped the partner's interests being widely addressed, strengthening their respective business integration and inter-dependability. The Company intends to explore the widening scope arising out of that segment of the renewable energy products sector synergic with the Company's existing competence.

Solution: The Company does not just process steel; it provides its partner with the benefit of a logistical solution that comprises packing and delivery to the partner's end customer. This solution has helped liberate the partner from inter-plant logistics costs as well as the management bandwidth required for timely product delivery. The Company has strengthened its logistical capability through the proprietary ownership of transportation vehicles in addition to engagement with external fleet providers. This arrangement has helped graduate the Company from service delivery to solutionisation.

Leverage synergies: The Company has progressively leveraged its competence in the management of core raw materials (HR coils and billets) to enhance procurement economies and manufacture various

downstream products. The management of HR coils has been directed at competent conversion into the sequential manufacture of pipes, poles and black/galvanised varieties with progressive value-addition. The management of billets has translated into the efficient manufacture of structural and towers on the one hand and the manufacture of TMT bars on the other.

RoI focus: The Company's growth appetite in the proprietary business is influenced by the quantum of working capital available from banks, the ability of the markets to absorb downstream products without compromising realisations and the ability of the Company to grow this business segment without incurring payment defaults. This indicates the Company's commitment to grow its business in a controlled and sustainable manner as opposed to reckless growth.

Deleverage: The Company has selected to progressively de-leverage its Balance Sheet on the one hand and grow its business through net worth on the other. This decision implies that the Company will continue to do more with less, the basis of all profitable business growth and sustainability.

Controlled growth: The Company has selected to focus on controlled growth as opposed to the option of reporting sharp year-on-year growth. We believe that controlled growth is in the long-term interest of all stakeholders. Within this controlled growth – which would still be higher than the sectoral growth average – the Company will continue to focus on enhancing business value through an increased proportion of revenues derived from proprietary products

as well as the addition of value-added products in the portfolio.

Environment conscious: The Company selected to invest in environment-protecting equipment and processes: the HCl acid regeneration facility (2500 kg per hour) has eliminated effluents discharge while the recycled water is used for gardening within the factory premises.

Best-in-class equipment: The Company's last major investment in a cold rolling galvanised mill of ₹402 cr in 2013 comprised the best technology standards that have since translated into high equipment uptime, superior operating efficiency and controlled conversion costs – strengthening return on employed capital.

Brand-led growth: The Company has progressively invested in strengthening its overarching proprietary products brand (Bansal), leveraging decades of familiarity with the trade and distribution network, credibility and respect derived from partnering India's largest private sector steel company.

How we have transformed our business

From asset-heavy to asset-light

We were an asset-heavy company at one time



We will sweat our capacities more extensively



We expect to enhance the proportion of value-added products



We may seek to lease manufacturing capacity



We intend to strengthen Return on Gross Block

From conversion to proprietary

We enhanced the proportion of conversion business during the steel down cycle



Until 2014-15, 90% of our revenues were derived from the conversion business



As the steel market began to recover, we re-balanced our revenues profile



We extended to the proprietary business starting 2015-16



Today, 11% of our revenues are derived from the proprietary business

From debt-driven to debt-light

The last major expansion of the Company (₹402 cr) was largely funded by debt (70%)



The Company's fund mix was largely driven through external funds



Debt-equity ratio touched a peak 2.00 in 2014



The Company repaid ₹214 cr in the four years ending 2017-18



Gearing strengthened to 0.91 as on 31 March 2018

From manufacturing focus to distribution-driven

Gross block investments accounted for 100% of the Company's business until 2017



The Company took a conscious decision to re-balance the business



The re-balancing was derived from a higher proportion of the proprietary business



The proprietary business warranted higher investments in distribution



Distribution network investments accounted for 20% of total capital employed (2017-18)

From B2B to B2C

The Company selected to grow its proprietary business a few years ago



B2B revenues accounted for 89% of the proprietary business until 2016-17



The Company began to rebalance its proprietary business mix



The Company increased the proportion of B2C business



B2C revenues increased from 5% of the proprietary business to 11% in 2017-18

From general to verticalised approach

The Company singularly focused on the conversion business until a few years ago



As the proprietary business emerged and grew, the Company invested in accountability



The Company created two business verticals, addressing each business



These businesses are empowered to generate their own growth



The verticalisation has enhanced performance and profitability

Our 2022 performance ambition

At BMWIL, our performance ambition is to reinforce our position as India's most efficient steel processing company and emerge as one of the most trusted steel product brands across the foreseeable future.

Overall goal: Projected revenues of ₹2000 cr by 2022.

Probable goal contributors

Product addition: The Company intends to widen its product basket by extending to synergic products (utilising the same raw material base)

Lower debt: The Company intends to utilise a major part of its accruals to repay debt

Increased proprietary business: The Company intends to increase the proportion of proprietary revenues from 11% of turnover to 39% on a larger turnover by 2022

Increased capacity utilisation: The Company intends to enhance utilisation of its TMT and structural capacities from 38% in 2017-18 to 88% utilisation by 2022

Monetise non-core assets: The Company intends to monetise non-core investments and reinvest the proceeds in its core business

Measuring our performance ambition, 2017-18

Profitable growth

Total income: Grew 23% in 2017-18
EBITDA: Grew 105 bps to 17.55%

Consistent value creation

Return on average invested capital: Grew 184 bps to 5.60%

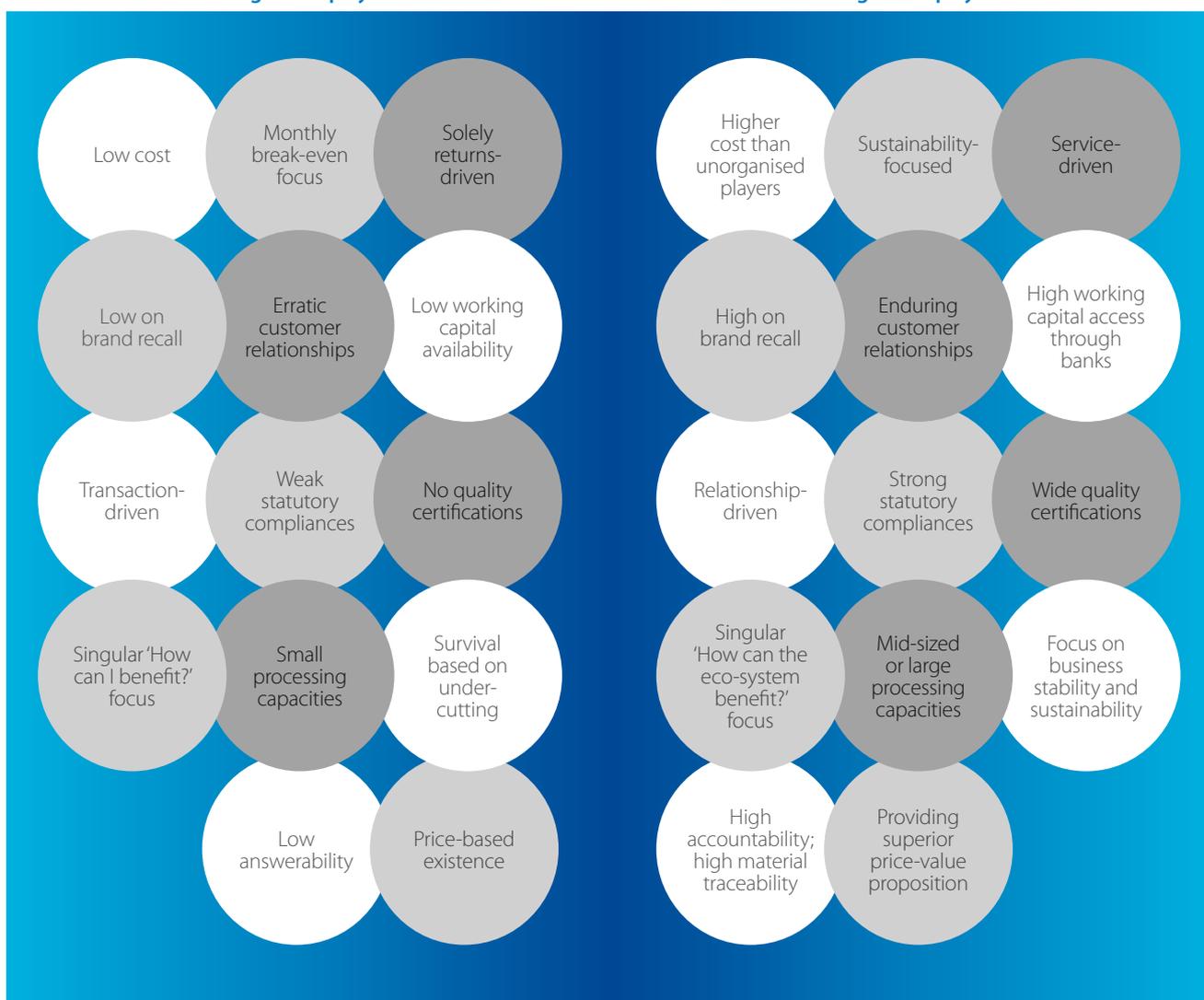
Financial mechanics

Free cash: Grew 28% to ₹98.72 cr
Average cost of debt: 9.69%
Debt-equity ratio: 0.91 as on 31 March 2018
Interest cover: 2.54x as on 31 March 2018

India's steel service sector

Unorganised players

Organised players





The business of steel processing is increasingly preferred on account of its win-win proposition for the principal and processing partner.

Our tolling business

Overview

The Company entered into an arrangement in 1992 with India's largest private sector steel company to process primary steel into secondary steel products for a cross-section of downstream customers. The relationship has grown in the volume of steel processed as well as corresponding revenues virtually

every year since. This has been the largest non-Group engagement by the principal with any external vendor. The Company has since emerged as arguably the largest and most respectable steel processing company in India.

Rationale

The concept of steel processing is actively pursued in the developed countries whereby primary steel output is largely processed by dedicated downstream

companies. The business of steel processing is increasingly preferred on account of its win-win proposition for the principal and processing partner.

Benefits for the principal

- Complete confidentiality, protecting the principal's interests
- Asset-lightness; the assets are on the books of the steel processing company
- Rigorous cost control; helps the Company cap costs effectively
- Circumvents labour management and wage negotiations
- Enhances operational flexibility; liberates management bandwidth
- Transforms fixed costs into variable costs
- Makes it possible to narrow people engagement from hundreds to a handful
- Empowers the Company to address the niche, small volume needs of customers
- Strengthens product development and marketing focus
- Makes it possible to delegate processing and delivery – a post-raw material solution
- Just-in-time delivery preparedness
- Leverage the value of the vendor being a steel processing specialist
- Investment by the vendor in peak production needs to eliminate the possibility of stockout-induced loss of sale

Process flow for our cold rolled galvanising unit



Benefits for steel processing company

- The principal's enduring support helped the Company grow from one facility to five locations
- Benefits of being a specialist, enhancing operating efficiencies
- Stability in terms of engagement, facilitating long-term planning
- Relative insulation from marketplace volatility
- Growing volumes
- Movement towards value-addition
- Increased coverage from raw material processing to delivery
- Stable revenue visibility
- Low working capital load (low receivables cycle)
- Timely receivables
- Opportunity to absorb rich sectoral knowledge of principal
- Opportunity to be a part of the principal's product development process
- Active handholding by the principal

Strengths

- The relationship has widened from one product to four business verticals, representing each vertical of the principal's operations
- The Company developed the competence to specialise across diverse technologies
- The Company possesses the capability to deliver consignments ranging from 400 tonnes to 20,000 tonnes
- The Company possesses an excellent track record of having met or exceeded the principal's delivery benchmarks
- The ability to have sustained the relationship with the principal for more than a quarter of a century
- The positioning of the Company's manufacturing facilities as an extension of the principal's manufacturing facilities
- A complete transparency in thought, communication and action, reinforcing mutual trust
- The ability to invest upfront in greenfield capacity creation based on a verbal assurance of the principal
- A complete alignment with the principal in terms of values, ethics, processes and protocols
- The rich experience of having processed more than 15 mn tonnes of steel across 26 years
- Investment in a world-class cold rolled galvanised plant, reporting a high uptime around the highest efficiency standards

2017-18 highlights

- Tolling volumes grew 17%; conversion revenues strengthened 11%

Outlook

The Company expects to report a 10-15 percent growth in conversion volumes during the current financial year





Our proprietary business

Overview

The Company entered the business of proprietary revenues in 2016. The proprietary business comprises revenues derived from sales to businesses and sales to retail customers. While the B2B business comprises the sale of structurals, TMT, pipes, towers and HR coils, B2C revenues

are derived principally from TMT bars. This segment of the business makes it possible for the Company to manufacture products for direct sale by leveraging its brand as a quality-focused manufacturer. Over the years, this business has grown, strengthening the Company's revenues and profitability.

Rationale

- The business makes it possible to extend beyond an excessive dependence on the conversion business
- The business provides a better margins arbitrage on the Company's established manufacturing competence
- The business provides the Company with a direct connect with marketplace realities
- The business makes it possible to address the market gap created by the sectoral shakeout following GST implementation
- The business makes it possible to address the longstanding quality gap created by growing product tolerance requirements
- The business creates a scalable foundation in brand ownership and proprietary distribution pipeline across a multi-product bouquet.

Strengths

<ul style="list-style-type: none">• The business is segregated across B2B and B2C products, widening the base for customer engagement• The Company selected to penetrate deep into a single market (Bengal) for its B2C business, addressing the last village across every district	<ul style="list-style-type: none">• The Company strengthened its 'Bansal' brand around product dependability and durability• The Company generated superior B2C realisations over the B2B average	<ul style="list-style-type: none">• The Company's receivables were attractively low with zero dealer defaults (based by advances)• The business is a proxy of the agriculture-driven purchasing power of rural Bengal.
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2017-18 highlights

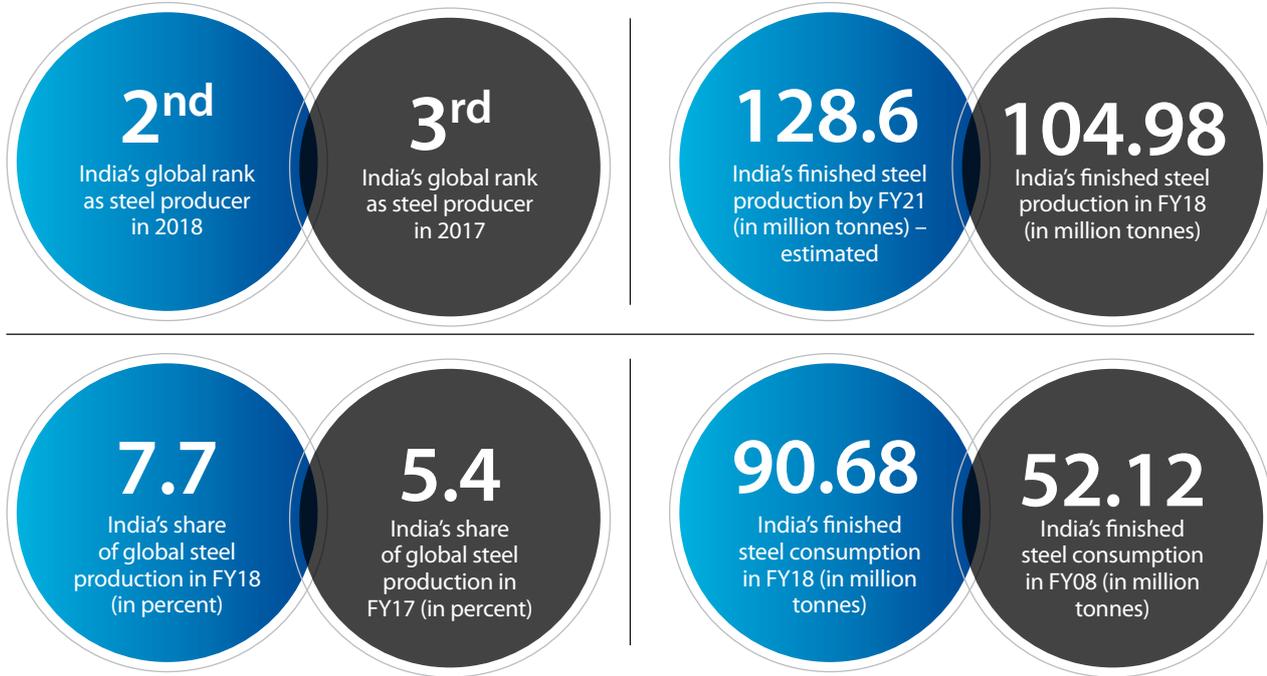
<ul style="list-style-type: none">• The Company started production of Bansal Super TMT• The Company offered slited 10 mm HR coils for the first time• The Company started dealer distribution network for Bansal Super TMT• EBITDA Margin increased by 105 bps; EBITDA increased by 29%
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Outlook

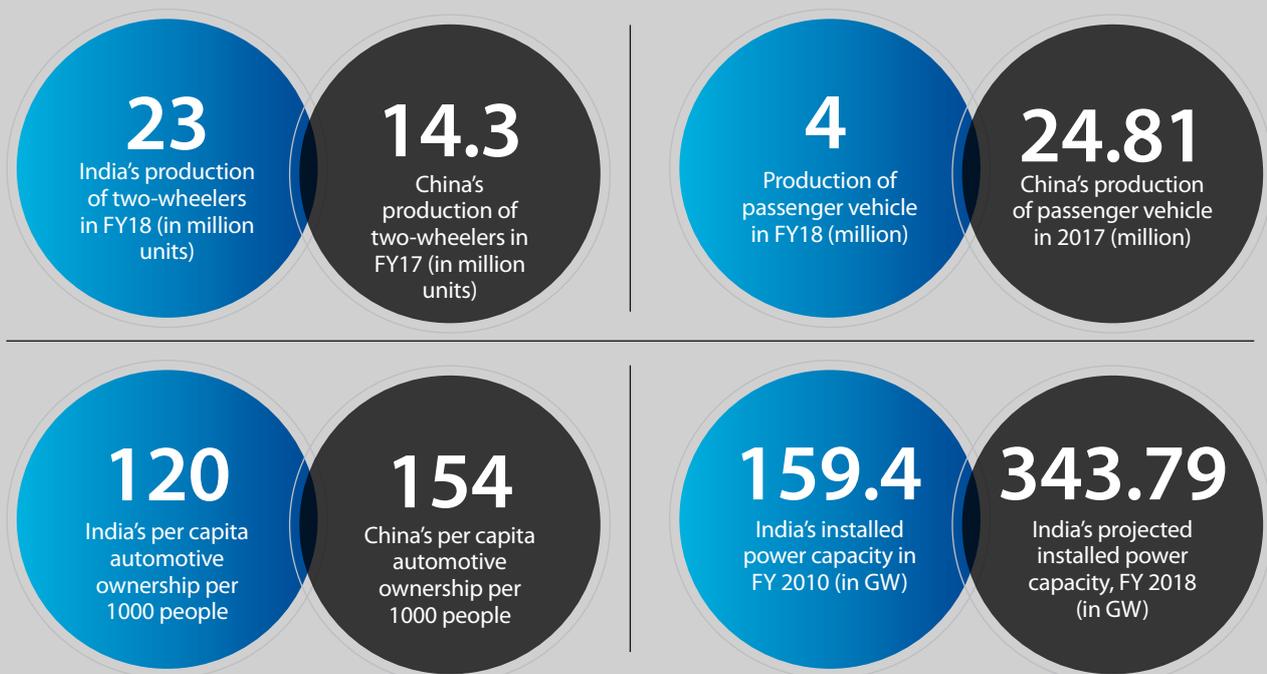
<ul style="list-style-type: none">• The Company is looking forward to increase its B2C sales• The Company is targeting a top-line of ₹1 100 cr from its overall business• The Company targets to increase its EBITDA to more than ₹200 cr.
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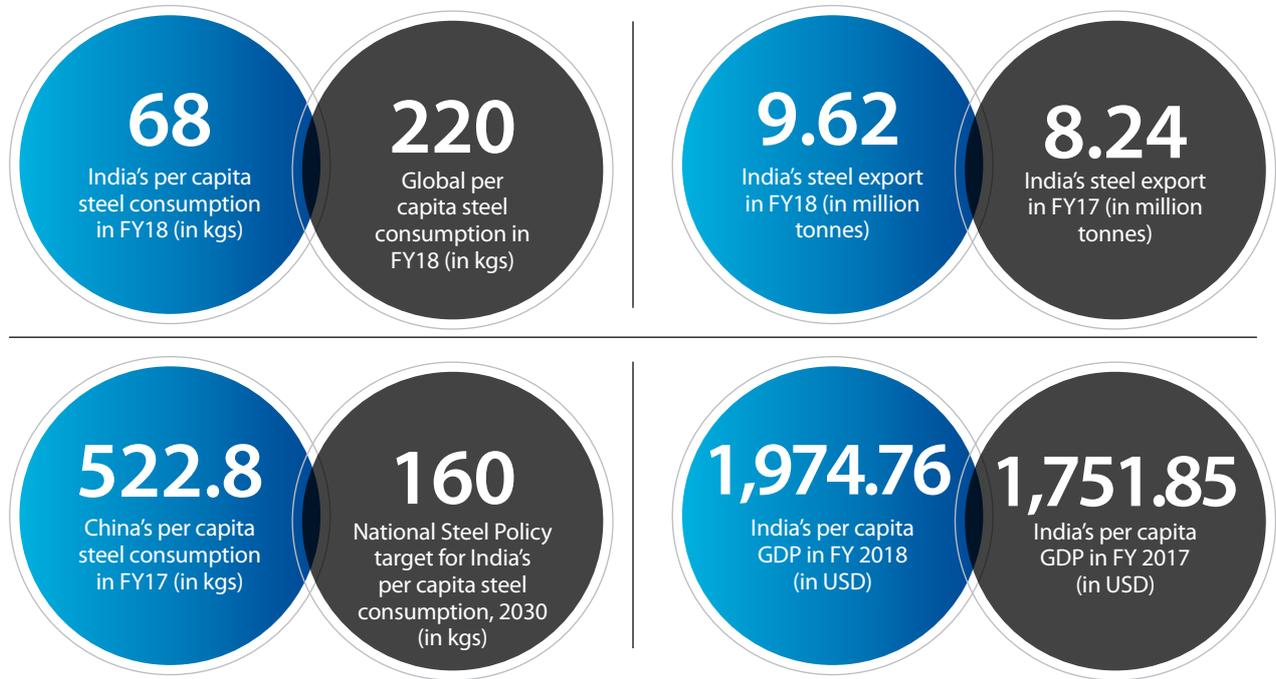
India's steel industry represents a multi-decade opportunity



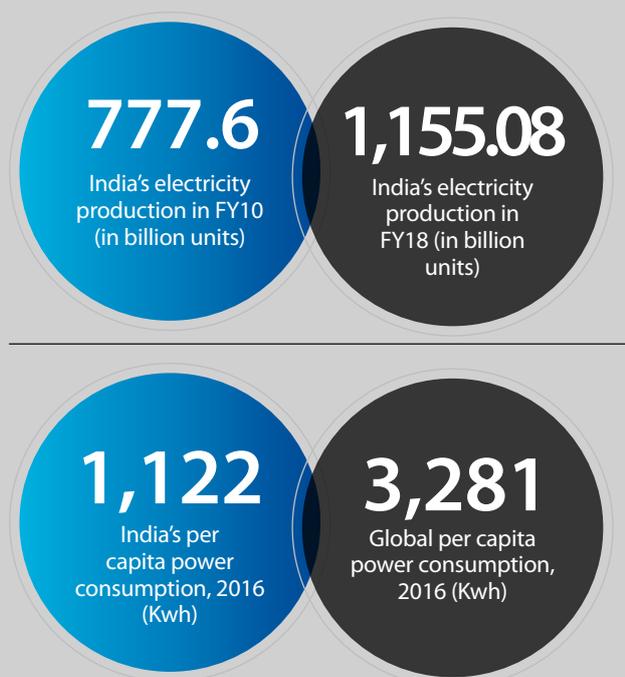
Booming automotive sector



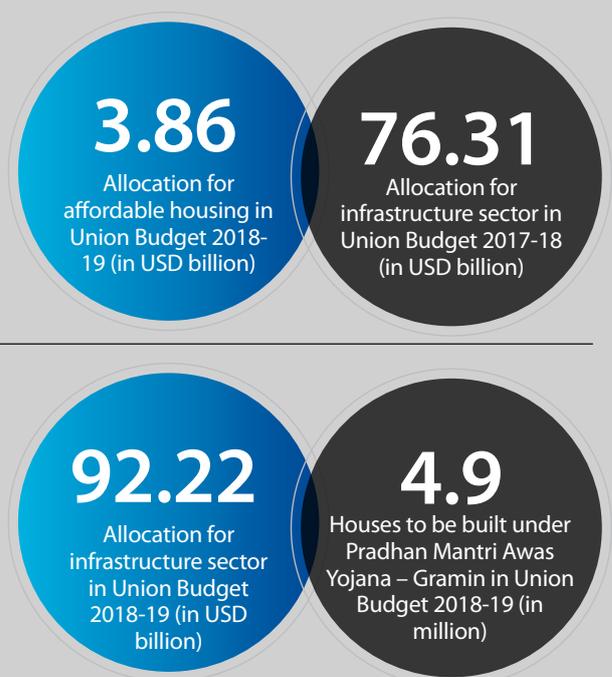
India's steel industry represents a multi-decade opportunity



Growing power



Union Budget



(Source: IBEF, Financial Express, World Bank, World Steel, World Economic Forum, KPMG)

Management discussion & analysis

The Company is one of the leading industrial groups of Eastern India with a multi-locational presence in the steel sector and has devised a strategic growth path on the back an integrated business model.

About the Company

The Company was incorporated on October 21, 1981 as Bansal Mechanical Works Private Limited. On March 21, 1984, the name was changed to Bansal Mechanical Works Limited and on June 28, 1999 the name of the Company was changed to BMW Industries Limited. The Company is one of the leading industrial groups of Eastern India with a multi-locational presence in the steel sector and has devised a strategic growth path on the back an integrated business model. The Company is engaged in the manufacture of tubular poles and structures, transmission line towers and rebars, catering to a vast and quality-conscious customer base.

Indian economic overview

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

Key government reforms

Bank recapitalisation scheme: The Central Government announced capital infusion of ₹2.1 lakh cr into public sector banks.

Expanding road network: The Government of India announced a ₹6.9 lakh cr investment to construct 83,677 kilometres of roads across five years.

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

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

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

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

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

Estimation for FY2017-18 vs FY 2016-17

Year	2017-18*	2016-17
GDP growth	6.7%	7.1%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Financials, realty growth	7.2%	9.8%
Public, admin, Defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

*Estimated

(Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287>)

Outlook

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

Indian steel industry overview

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

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

Key downstream sectors and developments

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

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

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

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

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

India's reality

43.6

Housing shortage in rural India (in million)

~18.78

Housing shortage in urban India (in million)

Government focus

300

National Steel Policy target for India's steel-making capacity, 2030 (in million tonnes)

126

India's steel capacity in FY18 (in million tonnes)

(Source: IBEF, Financial Express, World Bank, World Steel, World Economic Forum, KPMG)

- **Policy support:** 100%-FDI in the steel sector and a 20% safeguard on imports will boost demand for steel over the medium-term.
- **Roads:** During FY2017-18, 9,829 kilometres national highways were constructed, a 20% growth over FY2016-17. Construction of highways hit 27 kilometres per day during FY2017-18, clocking a growth of 20% over the 22.5 kilometres per day during FY2016-17. Expenditure on new road projects over the last five years amounted to ₹6.55 lakh cr. The expenditure of ₹6.92 lakh cr over the next five years, is therefore not a large increase in investment considering inflation as well, necessitating a greater demand for steel. (Source: IBEF, Financial Express)
- **Airports:** In FY18, passenger traffic at Indian airports stood at 308.75 million across 94 airports. Estimated steel consumption in airport building is likely to grow at a rate of >20% over the next few years. India's desire to spend more on infrastructural development bodes well for the steel industry.
- **Smart cities:** Under the Central Government's ambitious Smart City Mission, only 5.2% of the total identified projects had been completed at 1.4% of the total envisaged investment of ₹1,35,958 cr. (Source: Times of India)

- **Infrastructure development:** In the Union Budget 2018-19, the Government of India has given a massive push to the infrastructure sector by allocating ₹5.97 lakh cr. The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26. Consequently, the demand for steel could increase substantially.
- **Capital goods:** The capital goods sector accounts for an 11% share of cumulative domestic steel consumption and this is expected to increase to ~15% by 2026.
- **Booming consumer durables sector:** The appliance and consumer electronics industry is expected to grow at a CAGR of 9% till 2022 to reach ₹3.15 trillion, driving the demand for steel.

Outlook

Steel output is expected to increase to 128.6 million tonnes by 2021, accelerating the country's share of global steel production from 5.4% in 2017 to 7.7% by 2021. The Central Government set a target of increasing per capita steel consumption to 160 kilograms and achieving an annual production of 300 million tonnes by 2030. The country's steel manufacturing capacity could reach 150 million tonnes by 2020. (Source: IBEF, Economic Times)

GST impact

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

The Company's divisional review

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

Consumption of finished steel (million tonnes)

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

(Source: IBEF, E-Estimated)

Total crude steel production (million tonnes)

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

(Source: IBEF, E-Estimated)

Total finished steel production (million tonnes)

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

(Source: IBEF, E-Estimated)

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

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

Steel service centres: The Company is one of the largest steel processing companies in India. Product customisation was the

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

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

Urbanization

36.2

India's estimated urbanization by 2025 (percent)

33.2

India's urbanization as of 2018 (percent)

58.5

China's urbanization in CY2017 (percent)

54

Global urbanization in FY2018 (percent)

(Source: IBEF, Financial Express, World Bank, World Steel, World Economic Forum, KPMG)

Per capita consumption of steel (kilograms)

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

(Source: IBEF, E-Estimated)

Finished steel export (million tonnes)

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

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

Finished steel import (in million tonnes)

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

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

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. The Company provides competitive compensation, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme.

Financial review

Sales and other income

Revenues during the year stood at ₹944.68 cr, increasing by 22 % as compared to ₹777.09 cr in FY2016-17

Interest and finance costs

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

Profit before tax

The Company registered a profit before tax of ₹71.65 cr compared to ₹43.43 cr in the previous year

Profit after tax

The Company registered a profit after tax of ₹51.14 cr compared to ₹33.91 cr in the previous year

Key ratios

Particulars	2017-18	2016-17
EBITDA/Turnover	0.18	0.17
EBITDA/Net interest	3.56	3.07
Debt-equity ratio	0.91	1.14
Return on equity (%)	10.69	8.03
Book value per share (₹)	21.36	18.89
Earnings per share (₹)	2.27	1.51

Internal control systems and their adequacy

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

Human resources

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

Cautionary statement

This statement made in this section describes the Company's objectives,

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

How we manage the principal risks in our business

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

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

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

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

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

Implication	Counter-measure	Impact
This could mean that the Company's management would be working more for bankers than shareholders	The Company selected to moderate debt and debt costs	Gearing strengthened from 1.52 in 2014-15 to 0.91 in 2017-18; interest cover strengthened from 1.76 to 2.54 during the period

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

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

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

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

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

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

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

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

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

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

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

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

STATUTORY SECTION

Directors' Report

Dear members

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

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

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

FINANCIAL PERFORMANCE HIGHLIGHTS

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

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

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

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

In the current year the directors are of the opinion that the performance of the Company will be much better than the year

under review as new TMT unit has commenced production and the product is in huge demand in the market. The distribution channel will be more strengthened and a move is derived to reach the ultimate consumer. The Company will continue to contribute to its own growth and also to the growth of the economy and society at large.

DIVIDEND

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

TRANSFER TO GENERAL RESERVE

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

SHARE CAPITAL

The paid up Equity share capital of the Company as at 31st March 2018 stood at ₹22.51 Crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March 2018, none of the Directors of the Company holds instrument convertible into equity shares of the Company. Your Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

DEPOSITS

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

CHANGE IN NATURE OF BUSINESS, IF ANY

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

LOANS, GUARANTEES AND INVESTMENTS

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

INDIAN ACCOUNTING STANDARDS (IND AS)

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

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

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

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

Retirement by Rotation

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

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

The brief resume/details of Mr. Ram Gopal Bansal who is to be appointed as director are furnished in the Notice of the ensuing

AGM. The Board of Directors of your Company recommends the appointment of the said director at the ensuing AGM.

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

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

Disqualification of directors

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

BOARD EVALUATION

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

DECLARATION BY INDEPENDENT DIRECTORS

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

FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTOR

In terms of Regulation 25(7) of the SEBI (LODR) Regulations, 2015, your Company is required to conduct Familiarisation Programme for Independent Directors (Ids) to familiarise them about your Company including nature of Industry in which your Company operates, business model, responsibilities of the Ids etc. Further, pursuant to Regulation

46 of the SEBI (LODR) Regulations, 2015, your Company is required to disseminate on its website, details of familiarization programmes imparted to the Ids including the Details of the same. During the year, the Company has organised one familiarisation Programme of the Independent Directors. The details of the familiarization programme of Independent Directors are provided in the Corporate Governance Report. The link to the details of familiarization programmes imparted to the Ids is <http://www.bmwil.co.in/img/pdfupload/conduct-28642895c4575e684e3ef4ca5ad3e0b46e53dc.pdf>

REMUNERATION POLICY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable Indian accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems had been devised to ensure compliance with

the provisions of all applicable laws and that such systems were adequate and operating effectively.

THE BOARD OF DIRECTORS AND COMMITTEE

Board of Directors

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

Committees of the Board

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Finance Committee to work on areas specifically assigned to them by the Companies Act, 2013 and by the Board to perform.

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Audit Committee have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds

and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31 2018 the Company has nine subsidiaries.

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

- Formulate and recommend to the Board, the CSR Policy
- Recommend the amount of expenditure to be incurred on the activities undertaken
- Monitor the CSR Policy of the Company from time to time
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters

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

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

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

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

AUDITORS

STATUTORY AUDITORS

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

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

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

COST AUDITORS

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

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

SECRETARIAL AUDITORS

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

RELATED PARTY TRANSACTIONS

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

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

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

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

EXTRACT OF THE ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concern about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at the weblink <http://www.bmwil.co.in/img/pdfupload/conduct-726504c7eaf1edb1466c58eb12e8c6955ed1c.pdf> During the year under review, no complaints have been received /reported.

CORPORATE GOVERNANCE REPORT

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

CODE OF CONDUCT

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

CERTIFICATE ON CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

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

RISK MANAGEMENT POLICY

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

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

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

GREEN INITIATIVES IN CORPORATE GOVERNANCE

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

HUMAN RESOURCES

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

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

Your Company is committed to provide a safe and secure environment to its women employees across its functions, as they

are considered as integral and important part of the Organisation. Your company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There was no case of sexual harassment reported during the year under review.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

	Ram Gopal Bansal	Harsh Kumar Bansal
	<i>Chairman</i>	<i>Managing Director</i>
Place: Kolkata	DIN: 00144159	DIN: 00137014
Date: 22nd May 2018		

Annexure 'A' to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

Web-link of the CSR Policy:

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

<http://www.bmwil.co.in/img/pdfupload/conduct-20686988b18b2c19c7248e9f377a0a2f57f0df.pdf>

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

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

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

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

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

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

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

- Total amount to be spent for the FY 2017-18: ₹79.75 Lakhs
- Amount unspent, if any: Nil
- Manner in which the amount spent during the FY 2017-18:

(₹ in Lakhs)

Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) The State and district where the project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period i.e. FY 2017-2018	Amount spent direct or through implementing agency
1.	Contribution for providing food, medical and other basic needs for cows & other animals	Animal Welfare	Kolkata	1.12	1.12	1.12	Implementing Agency – Calcutta Pinjrapole Society & Shri Tatanagar Goushala

(₹ in Lakhs)

Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) The State and district where the project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period i.e. FY 2017-2018	Amount spent direct or through implementing agency
2.	Ekal Aviyan – Adoption of one teacher school, Maintenance of Schools, Sponsoring education of poor children	Promotion Of Education including special education	Various parts of West Bengal, Jharkhand, other states.	41.42	41.42	41.42	Implementing Agency- Direct and through Friends of Tribal Society, Xavier School Ghamaria, Kurpai Unnayani Samity, Paschim Banga Marwari Sammelan Shiksha Kosh, Sheo Bai Bansal Charitable trust, Ram Krishna Mission Boys Home Bansal Foundation.
3.	Contribution for Drinking Water Project, Providing safe drinking water,	Providing Safe Drinking Water	Jharkhand & West Bengal	1.06	1.06	1.06	Implementing Agency- Shree Kashi Biswanath Sewa Samity, Brahma Service Society.
4.	Annadanam- Contribution for providing Nutrition to poor villagers and handicapped children of School. Providing Breakfast and Lunch to students,	Eradication Of Hunger, Poverty & Malnutrition Eradication Of Hunger, Poverty & Malnutrition	Tamil Nadu	29.51	29.51	29.51	Implementing Agency - Kshetropasna
5.	Contribution towards medical treatment of poor people, arrangement of medical facilities in villages	Promoting Health care including preventive health care		8.82	8.82	8.82	Implementing Agency- Tirumala Tirupati Devasthanam, Cancer Hospital & Research Institute, Blind Organisation of India, Brahma Service Society, Kshetropasna, Bansal Foundation
Total				81.94	81.94	81.94	

6. Responsibility Statement

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

Kolkata

31st March 2018

Harsh Kumar Bansal

(DIN: 00137014)

Managing Director & Chairman of CSR Committee

Annexure 'B' to Board's Report

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

A. Conservation of Energy

- (i) Steps taken or impact on conservation of energy:
- The Company continues to give high priority to the conservation of energy on an ongoing basis. The Company monitors the energy consumption and it takes due care in proper utilization of the energy.
 - The regular maintenance of Plant & Machinery, installation of Automated Machines and watchful supervision results in reduction in energy consumption.
 - Steps are taken for replacing defective and inefficient equipments as and when required.
 - The Company has initiated special drive for increasing efficiency with the lesser conservation of energy and preventing misuse or wastage of energy.
- (ii) Steps taken for utilizing alternate sources of energy: The Company is exploring for alternate sources of energy.
- (iii) Capital Investment on energy conservation equipments: No material expenditure was incurred on energy conservation equipments.

B. Technology Absorption

- i) Efforts, made towards technology absorption. The Company is using new technology machines for better production and effective utilization of resources. Manufacturing process is continuously monitored to ensure better productivity.
- ii) Benefits derived like product improvement, cost reduction, product development, import substitution, etc.
- Improved productivity and cost reduction.
 - Introduction of new and improved products.
 - Improvement in product quality.

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

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

C. Foreign Exchange Earnings and Outgo

Foreign exchange earned :	₹931.72 Lakhs
Foreign exchange outgo :	₹2147.80 Lakhs

Annexure 'C' to Board's Report

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

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

To
The Members,
BMW INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BMW INDUSTRIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities & Exchange Board of India (Share Based Employee Benefit) Guidelines, 2014
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

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

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

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

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

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

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

For **MKB & Associates**
Company Secretaries

Neha Somani
(Partner)

ACS no. 44522

COP no. 17322

FRN: P2010WB042700

Date: 22.05.2018

Place: Kolkata

Annexure - I

To
The Members,
BMW INDUSTRIES LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & Associates**
Company Secretaries

Neha Somani
(Partner)

ACS no. 44522

COP no. 17322

FRN: P2010WB042700

Date: 22.05.2018

Place: Kolkata

Annexure 'D' to Board's Report

FORM NO. MGT-9

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

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	SAIL Bansal Service Centre Limited	U27310WB2000PLC092486	Subsidiary	60%	2(87)
2.	Confident Financial Consultancy Pvt Ltd	U67190WB2008PTC124149	Subsidiary	100%	2(87)
3.	Perfect Investment Consultancy Pvt Ltd	U74992WB2008PTC124136	Subsidiary	100%	2(87)
4.	Sidhant Investment Advisory Pvt Ltd	U74120WB2008PTC122119	Subsidiary	100%	2(87)
5.	Siddhi Vinayak Commosales Pvt Ltd	U51909WB2008PTC129643	Subsidiary	100%	2(87)
6.	Shri Hari Vincom Pvt Ltd	U51909WB2008PTC129652	Subsidiary	100%	2(87)
7.	Narayan Dealcom Pvt Ltd	U51909WB2008PTC129649	Subsidiary	100%	2(87)
8.	Fairplan Vintrade Pvt Ltd	U51909WB2008PTC129650	Subsidiary	100%	2(87)
9.	Nageshwar Trade-Link Pvt Ltd	U51909WB2008PTC129645	Subsidiary	100%	2(87)

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

i. Category-wise Share Holding

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 Lakhs	1,000	1,000	2,000	0.00	1,200	75,911	77,911	0.03	0.03
(ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakhs	-	-	-	-	-	-	-	-	-
a) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(2)	7,82,24,130	1,000	7,82,25,130	34.75	7,82,24,130	1,000	6,73,44,241	29.92	(4.83)
Total Public Shareholding (B)=(B)(1)+(B)(2)	7,82,24,130	1,000	7,82,25,130	34.75	7,82,24,130	1,000	6,73,44,241	29.92	(4.83)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	21,33,47,460	1,17,39,000	22,50,86,460	100.00	21,33,47,460	1,17,39,000	22,50,86,460	100.00	0.00

ii. Shareholding of Promoters

Sl. No	Name of Shareholders	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)*			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
	Indian Promoter							
	Individuals/HUF/Bodies							
	Corporate							
1.	Ram Gopal Bansal (HUF)	5,93,750	0.26	-	5,93,750	0.26	-	0.00
2.	Pratiti Bansal	19,93,250	0.89	-	19,93,250	0.89	-	0.00
3.	Shalini Bansal	27,93,250	1.24	-	27,93,250	1.24	-	0.00
4.	Premlata Bansal	94,12,500	4.18	-	94,12,500	4.18	-	0.00
5.	Vivek Kumar Bansal	1,40,22,080	6.23	-	1,40,22,080	6.23	-	0.00
6.	Harsh Kumar Bansal	1,84,47,250	8.20	-	1,84,47,250	8.20	-	0.00
7.	Ram Gopal Bansal	3,57,50,000	15.88	-	3,57,50,000	15.88	-	0.00
8.	Bansal Engineering Works Pvt Ltd	18,00,000	0.80	-	18,00,000	0.80	-	0.00
9.	Dharmik Commotrade Pvt Ltd	31,25,000	1.39	-	31,25,000	1.39	-	0.00
10.	Encash Commercial Pvt Ltd	34,37,500	1.53	-	34,37,500	1.53	-	0.00
11.	Lakshya Compusoft Pvt Ltd	37,50,000	1.67	-	37,50,000	1.67	-	0.00
12.	Deep Goods Pvt Ltd	37,50,000	1.67	-	37,50,000	1.67	-	0.00
13.	Dharmik Tie up Pvt Ltd	38,75,000	1.72	-	38,75,000	1.72	-	0.00
14.	Paramatma Commercial Pvt Ltd	40,62,500	1.80	-	40,62,500	1.80	-	0.00

Sl. No	Name of Shareholders	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)*			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
15.	Mahabali Goods Pvt. Ltd.	42,00,000	1.87	-	42,00,000	1.87	-	0.00
16.	Rajani Vanijya Pvt. Ltd.	42,18,750	1.87	-	42,18,750	1.87	-	0.00
17.	Jaymala Commercial Pvt. Ltd.	51,87,500	2.30	-	51,87,500	2.30	-	0.00
18.	Pioneer Goods Pvt. Ltd.	55,81,250	2.48	-	55,81,250	2.48	-	0.00
19.	Bansal Business Pvt. Ltd.	99,38,000	4.42	-	99,38,000	4.42	-	0.00
20.	Jani Fincom Pvt. Ltd.	1,09,23,750	4.85	-	1,09,23,750	4.85	-	0.00
21.	Rolex Trafina Pvt. Ltd.				44,70,500	1.99	-	1.99
22.	Tricom Investments Pvt. Ltd.				64,85,500	2.88	-	2.88
	Total	14,68,61,330	65.25	-	15,77,42,219	70.08	-	4.87

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

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

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

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Murray Financial Services Pvt Ltd	1,01,46,010	4.51	1,01,46,010	4.51
2.	Maninya Comfin Pvt Ltd	82,10,120	3.65	82,10,120	3.65
3.	Tirupati Commosales Pvt Ltd	75,00,000	3.33	75,00,000	3.33
4.	Merrit Fintrade Pvt Ltd	73,69,500	3.27	73,69,500	3.27
5.	Torrid Fintra Pvt Ltd	71,00,500	3.15	71,00,500	3.15
6.	Cloret Investments Pvt Ltd	63,52,500	2.82	63,52,500	2.82
7.	Bleweet Finvest Pvt Ltd	51,59,000	2.29	51,59,000	2.29
8.	Rosset Fiscal Pvt Ltd	51,51,000	2.29	51,51,000	2.29
9.	Kanha Vincom Pvt. Ltd.	37,50,000	1.67	37,50,000	1.67
10.	Gregory Credit Pvt.Ltd.	36,78,500	1.63	36,78,500	1.63

v. Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors:

1. Independent Directors:

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

2. Other Non-Executive Directors:

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

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

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

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board

Place: Kolkata
Date: 22nd May 2018

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Kumar Bansal
Managing Director
DIN: 00137014

Annexure 'E' to Board's Report

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

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

	Name of Director / KMP	Designation	Ratio of Remuneration of each Director to the Median remuneration of employees	Percentage increase in Remuneration
Executive Directors				
1.	Mr. Ram Gopal Bansal	Chairman, Whole-time Director	79:1	Nil
2.	Mr. Harsh Kumar Bansal	Managing Director	52:1	21%
3.	Mr. Vivek Kumar Bansal	Managing Director	52:1	21%
Non-Executive Directors				
4.	Mr. Debasish Basu*	Non-Executive Independent Director	-	-
5.	Mr. Sunil Kumar Parik*	Non-Executive Independent Director	-	-
6.	Mr. Prahlad Kumar**	Non-Executive Independent Director	-	-
7.	Ms. Gayatri Singh*	Non-Executive Independent Director	-	-
8.	Mr. Rampriya Sharan*	Non-Executive Independent Director	-	-
Key Managerial Personnel				
9.	Mr. Abhishek Agarwal	Chief Financial Officer	NA	20%
10.	Ms. Sweta Prasad***	Company Secretary	NA	12.2%
11.	Mr. Arbind Kumar Jain****	Company Secretary	NA	-

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

** Resigned w.e.f. 23.11.2018 *** Resigned w.e.f. 8th October 2018 **** Appointed w.e.f. 12th October 2018

- i. The Percentage increase in median remuneration of Employees for the financial year was 1.25%
- ii. The Company has 646 permanent employees on the rolls of the Company as on 31st March 2018.
- iii. Relationship between average increase in remuneration and company's performance:
The average increase in remuneration is closely linked to achievement of annual corporate goals, financial and operational performance of the Company and adjustments towards increased cost of living. The reward philosophy of the Company is to provide market competitive reward opportunity that has a strong linkage to and drives performance culture. During the year, similar approach was followed to establish the remuneration increase to the Employees.
- iv. Comparison of the remuneration of the Key Managerial Personnel (individually & totally) against the performance of the Company:
The compensation for Key Managerial Personnel's is guided by external competitiveness, annual performance review and overall growth of the Company. The KMP's play a pivotal role in the growth of the Company and considering performance of the Company during the year they have been accordingly remunerated.
- v. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year over previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company is listed on the Calcutta Stock Exchange. There has been no trading in the shares of the Company during the Financial Year 2017-18.

- vi. Average percentage increase in the salaries of employees other than managerial personnel in the financial year was 12% whereas the average increase in the managerial remuneration was 13.15%:
The Company has touched new heights due to the continuous efforts of managerial personnel warranting such increase.
- vii. The key parameters for any variable component of remuneration:
Apart from the Whole-time Director and Managing Directors, no other Directors are in receipt of any remuneration other than sitting fees for attending Board and Committee Meetings.
- viii. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: N.A.
- ix. The remuneration paid is as per the remuneration policy of the Company
Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 22nd May 2018

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Kumar Bansal
Managing Director
DIN: 00137014

CERTIFICATION IN TERMS OF REGULATION 17 (8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION 5, 2015

22nd May 2018

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

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

1. To the best of our knowledge and belief, we certify that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 - iii. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
3. We have indicated to the Auditors and the Audit Committee:
 - a. Significant changes, if any, in the Internal Control over financial reporting during the year.
 - b. Significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

For **BMW Industries Limited**

Harsh Kumar Bansal
Managing Director
DIN: 00137014

Abhishek Agarwal
Chief Financial Officer

Form AOC-1

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

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

Part A Subsidiaries

Sl. No.		1	2	3	4	5	6	7	8	9
1	Name of the subsidiary	SAIL Bansal Service Centre Limited	Confident Financial Consultancy Pvt. Ltd.	Nageshwar Trade-Link Pvt. Ltd.	Perfect Investment Consultancy Pvt. Ltd.	Shri Hari Vincom Pvt. Ltd.	Siddhi Vinayak Commo-sales Pvt. Ltd.	Sidhant Investment Advisory Pvt. Ltd.	Fairplan Vintrade Pvt. Ltd.	Narayan Dealcom Pvt. Ltd.
3	Financial period ended	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
4	Exchange rate	INR	INR	INR	INR	INR	INR	INR	INR	INR
5	Share capital	8,00,00,000	29,30,000	37,00,000	30,40,000	32,90,000	29,50,000	49,80,000	39,40,000	42,20,000
6	Reserves and surplus	-6,34,99,443	13,88,07,042	17,62,78,527	14,39,20,850	15,61,95,920	13,95,56,490	23,89,70,645	18,82,07,836	20,18,16,752
7	Total assets	6,05,50,232	14,23,63,372	18,00,28,027	14,69,82,224	15,94,88,920	14,74,64,190	24,69,63,645	19,26,77,341	20,61,27,327
8	Total Liabilities	6,05,50,232	14,23,63,372	18,00,28,027	14,69,82,224	15,94,88,920	14,74,64,190	24,69,63,645	19,26,77,341	20,61,27,327
9	Investments	-	10,63,07,120	18,00,00,000	9,44,97,500	2,22,50,000	2,70,45,000	13,00,74,000	8,76,84,000	13,85,45,000
10	Turnover	3,22,20,309	8,85,293	-	-	-	17,500	-	6,81,765	1,94,959
11	Profit before taxation	34,76,164	2,93,266	-21,439	-30,969	-17,015	2,385	-25,858	2,19,712	65,375
12	Provision for taxation	4,08,891	96,750	-	-	-	-	-	72,505	21,575
13	Profit after taxation	30,67,273	1,96,516	-21,439	-30,969	-17,015	2,385	-25,858	1,47,207	43,800
14	Other Comprehensive Income	38,164	-	-	-	-	-	-	-	-
15	Total Comprehensive Income	31,05,437	1,96,516	-21,439	-30,969	-17,015	2,385	-25,858	1,47,207	43,800
16	Proposed Dividend	-	-	-	-	-	-	-	-	-
17	Percentage of shareholding	60.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Part B Associates and Joint Ventures

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

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

For and on behalf of the Board of Directors

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Kumar Bansal
Managing Director
DIN: 00137014

Place: Kolkata
Date: 22nd May 2018

Abhishek Agarwal
Chief Financial Officer

Arbind Kumar Jain
Company Secretary

CODE OF CONDUCT

22nd May 2018

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

Dear Sirs,

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

Thanking you,
Yours sincerely,

For BMW Industries Limited

Harsh Kumar Bansal
Managing Director
DIN: 00137014

Corporate Governance Report

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

Composition of the Board, Attendance Record and Directorship Held

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

SI No	Name of the Director	Category	Attendance		No. of Directorships and Committee Memberships/ Chairmanships (including the Company)		
			At Board Meeting	At Last Annual General Meeting	Directorships	Committee Chairmanship	Committee Membership
01	Ram Gopal Bansal (DIN-00144159)	Chairman and Executive Director	08/09	No	4	-	-
02	Harsh Kumar Bansal (DIN- 00137014)	Managing Director	08/09	Yes	9	-	-
03	Vivek Kumar Banal (DIN-00137120)	Managing Director	07/09	Yes	9	-	-
04	Debasish Basu (DIN-00581141)	Independent Director	06/09	Yes	-	-	-
05	Sunil Kumar Parik (DIN-00884149)	Independent Director	09/09	Yes	2	-	-
06	Rampriya Sharan (DIN-05304025)	Independent Director	02/09	No	-	-	-
07	Gayatri Singh (DIN- 07031033)	Independent Director	02/09	No	-	-	-
08	Prahlad Kumar (DIN- 05174446)	Independent Director	Nil	No	-	-	-

Notes :

- i) Prahlad Kumar resigned from the Board w.e.f. 23rd November 2017
- ii) Directorships in other companies excludes Directorships in private limited companies, companies incorporated outside India and companies under Section 8 of the Companies Act, 2013 but includes directorships in subsidiaries of public limited companies. Only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- iii) No Director of the Company was a member of more than ten Committees or Chairperson of more than five Committees across all the Public / Listed companies in which he / she was a Director.

Number of Board Meetings

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

Role of Company Secretary in overall Governance Process

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

Information placed before the Board

The Company sends a detailed agenda folder to each Director with sufficient time before every Board and Committee meetings. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decision. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting on the overall performance of the Company. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level, including the Compliance Officer. The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. In addition to the above, Regulation 17(7) of the SEBI (LODR) Regulations, 2015, the minutes of the Board meetings of your Company's subsidiaries and a statement of all significant

transactions and arrangements entered into by the subsidiaries are also placed before the Board.

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

Code of Conduct

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

3. COMMITTEES

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

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

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

A. AUDIT COMMITTEE

Terms of Reference and Composition

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

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

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

- a) Review internal control systems, nature and scope of audit as well as post audit discussions;
- b) Review quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the

Directors' Responsibility Statement to be included in the Board's Report;

- c) Evaluation of internal financial control and risk management systems and ensure compliance with internal control systems;
- d) Recommend to the Board on any matter relating to financial management, including audit report;
- e) Oversee Company's financial reporting process and disclosure of financial information;
- f) Recommendation of appointment and remuneration of auditors;
- g) Review performance of statutory and internal auditors;
- h) Review with the management and monitor the Auditor's independence, performance of Statutory and Internal Auditors and adequacy of the internal control systems and effectiveness of audit process;
- i) Approval or any subsequent modification of transactions of the Company with related parties;
- j) Valuation of undertakings or assets of the Company wherever necessary;
- k) Monitoring the end use of funds raised through public offers and related matters;
- l) Oversee the establishment of Vigil Mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

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

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

B. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference and Composition

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

SI No.	Name of the Director	Position	No. of Meeting(s) attended
01	Sunil Kumar Parik	Chairman	03/03
02	Debasish Basu	Member	03/03
03	Ram Priya Sharan	Member	02/03

The Nomination and Remuneration Committee shall act in

accordance with the prescribed provisions of section 178 of the Companies Act, 2013 and shall be responsible for:-

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- c) Devising a policy on diversity of Board of Directors;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and carry out evaluation of every director's performance.

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

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

The remuneration policy of the Company is also placed on the website of the Company at the link <http://www.bmwil.co.in/img/pdfupload/conduct-5116335e89de53758f12245ef7863cdbac404.pdf>

Remuneration paid to Directors

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

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

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

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

Sl No.	Name of the Director	Position	No. of Meeting(s) attended
01	Ram Gopal Bansal	Executive Director	Rs. 1,56,00,000/-
02	Harsh Kumar Bansal	Executive Director	Rs. 1,02,00,000/-
03	Vivek Kumar Banal	Executive Director	Rs. 1,02,00,000/-

Performance Evaluation

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Terms of Reference

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

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

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

The terms of reference of the Committee includes the following:

- transfer/ transmission of shares and such other securities;
- issue of duplicate share certificates for shares and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

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

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference and Composition

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

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

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

E. FINANCE COMMITTEE

Terms of Reference and Composition

The Board has constituted a Finance Committee, inter alia to take care of all the finance matters including availing

financial assistance from banks from time to time that may be required in course of business of the Company. This is a non statutory committee.

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

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

4. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors had met once during the year without the presence of the Non-Independent Directors and

the Management Team to discharge duties enjoined on them.

5. INDUCTION & TRAINING OF BOARD MEMBERS

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

6. POLICY ON MATERIAL SUBSIDIARY

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

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

7. GENERAL BODY MEETINGS

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

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

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

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

c. Postal Ballot

No Special Resolution was passed last year through postal ballot.

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

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

8. DISCLOSURES

a) **Related party matters** – The Company has not entered into any transactions of material nature with its promoters, directors, the management, subsidiary companies or relatives etc. that have potential conflict with its interest during the year under review. However, the list of related party relationships and transactions as required to be disclosed in accordance with Indian Accounting Standard has been given in Note 40 to the Financial Statements for the year ended 31st March 2018. As required under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR) Regulations, 2015], the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at weblink : <http://www.bmwil.co.in/img/pdfupload/conduct-10029650a3ff8c8ca da143431acb4821cc54c7.pdf>

b) Details of non-compliance by the Company

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

c) Vigil Mechanism/Whistle Blower Policy

The Company believes in promoting ethical behavior and accordingly there is a mechanism for reporting unethical behavior, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy under which the employees are free to report any such grievances to the Nodal Officer appointed for the purpose. In certain circumstances, employees may also report to the Chairman of the Audit Committee. The Policy is also placed on the website of the Company at the link: <http://www.bmwil.co.in/img/pdfupload/conduct-726504c7eaf1edb1466c58eb12e8c6955ed1c.pdf>

d) Internal Control System

The Internal Control System of the Company is aimed at proper utilisation and safeguarding of the Company's resources and to promote operational efficiency. The findings of the Internal Audit

and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the Internal Control System.

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

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

f) Reconciliation of Share Capital Audit

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

g) Accounting treatment in preparation of financial statement

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

h) Risk Management

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

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

9. MEANS OF COMMUNICATION

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION

a. Listing of Shares

The Equity Shares of the Company are listed on:

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

b. Market Price Data

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

c. Company's registered office	:	119, Park Street, White House, 3rd Floor, Kolkata – 700 016
d. Address for correspondence of Shares and related matters	:	Mr. Arbind Kumar Jain Company Secretary 119, Park Street, White House, 3rd Floor, Kolkata – 700 016 Tel No. +91 33 4007 1704 Email Id: arbindjain@bmwil.co.in
e. Registrar and Share Transfer Agent (Physical and Demat mode)	:	ABS Consultant Private Limited Stephen House, Room No. 99 6th Floor, 4, B. B. D. Bagh, Kolkata – 700 001 Tel No. +91 33 2243 0153, +91 33 2220 1043 Email Id: absconsultant@vsnl.net
f. AGM details	:	
Date	:	As per the Notice calling the Annual General Meeting
Venue	:	
Time	:	
g. Financial Year	:	1st April 2017 to 31st March 2018
h. Book Closure Date	:	As per Notice of AGM
i. Financial calendar (tentative)	:	
Financial reporting for the quarter ending	:	
1st quarter ending 30th June 2018	:	2nd week of August 2018
2nd quarter ending 30th September 2018	:	2nd Week of November 2018
3rd quarter ending 31st December 2018	:	2nd Week of February 2019
4th quarter ending 31st March 2019	:	3rd week of May 2019
Annual General Meeting for the year ending 31st March 2019	:	2nd week of September 2019
j. Dividend payment	:	N.A.
k. Contact person for clarification on Financial Statements	:	Mr. Abhishek Agarwal Chief Financial Officer 119, Park Street, White House, 3rd Floor, Kolkata – 700 016 Tel No. +91 33 4007 1704 Email Id: abhishekagarwal@bmwil.co.in

l. Transfer of shares	:	During the year, the Company approved transfer request from Shareholders. Shareholder Relationship Committee and RTA look after the matter.
m. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	:	The Company has not issued any GDRs / ADRs / warrants or any convertible instruments, which is likely to have impact on the Company's equity.
n. E-mail ID of the Grievance Redressal Division / Compliance Officer exclusively for the purpose of registering complaints by investors	:	arbindjain@bmwil.co.in
o. Plant Location	:	<ul style="list-style-type: none"> i. Ramdas Oil Mill Compound, Manifit, P.O: Telco, Jamshedpur, Jharkhand. ii. Junglepur, PO: Andul Mouri, NH – 6, Howrah, West Bengal. iii. G. T. Road (N), Ghosuri, Howrah, West Bengal. iv. B-I, Phase-II, Adityapur Industrial Area, Jamshedpur, Jharkhand. v. M-1, Large Sector, Gamharia, Dist – Seraikella - Kharswan, Jamshedpur, Jharkhand.
p. Payment of Listing Fees	:	Annual listing fee for FY 2018-19 has been paid by the Company to CSE.
q. Payment of Annual Custody Fees	:	Annual Custodian fee for FY 2018-19 is paid by the Company to NSDL and CDSL within stipulated time.
r. ISIN	:	INE374E01021

s. Dematerialisation of Shares

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

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

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

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

Particulars	Number of Shareholders	Number of Shares held	Percentage of Shareholding (%)
Up to 500	596	59111	0.03
501 – 1,000	13	13000	0.01
1,001 – 5,000	3	5000	0.00
5,001 – 10,000	-	-	-
10,001 – 50,000	-	-	-
50,001 – 1,00,000	-	-	-
1,00,001 – and above	33	22,50,09,349	99.96
Total	645	22,50,86,460	100

Pattern of Shareholding as on 31st March 2018

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

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

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

(i) The Board:

The Company is headed by the Executive Chairman.

(ii) Shareholder Rights:

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

(iii) Audit Qualifications:

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

(iv) Separate posts of Chairperson and CEOs:

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

For and on behalf of the Board

Ram Gopal Bansal

Chairman

DIN: 00144159

Harsh Kumar Bansal

Managing Director

DIN: 00137014

Place: Kolkata

Date: 22nd May 2018

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
BMW Industries Limited

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

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Place: Kolkata
Date: 22nd May 2018

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

INDEPENDENT AUDITORS' REPORT

To the Members of
BMW INDUSTRIES LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Ind AS financial statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A," a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – refer Note no.34 of the Standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Kolkata
Date: May22, 2018

H K Verma
Partner
Membership No: 055104

“Annexure A” to the Independent Auditor’s Report of even date:

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

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified by the management in accordance with a regular programme of verification in a phased manner over a period of three years which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. Based on verification of title deeds/lease deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds/lease deeds of immovable properties are held in the name of the Company.
- ii) As explained to us, inventories except scrap have been physically verified during the year at reasonable intervals by the management. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.
 - iii) According to the information and explanations given to us, the Company has granted unsecured loans to subsidiary companies which are covered in the register maintained under Section 189 of the Act.

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

As informed to us, having regard to above, there are no overdue

amounts outstanding in respect of such loans and interest thereon where applicable and the terms and conditions thereof as such, prima facie, are not prejudicial to the interest of the Company.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted any deposits. Consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, Goods and Services tax, customs duty, excise duty, value added tax, cess, Goods and services tax and any other material statutory dues as applicable to it with the appropriate authorities. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on 31st March 2018 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, custom duty, excise duty, Value added Tax, Goods and Services Tax (GST) and Cess if any, as at 31st March 2018, not deposited on account of any dispute are as follows:

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

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and others. As explained, the Company does not have any loan or borrowings from any financial institution, governments or any dues to debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company,
- transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Kolkata
Date: May22, 2018

H K Verma
Partner
Membership No: 055104

“Annexure B” referred to in our report of even date

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

We have audited the internal financial controls over financial reporting of BMW Industries Limited (“the Company”) as at 31st March 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Kolkata
Date: May22, 2018

H K Verma
Partner
Membership No: 055104

Standalone Balance Sheet as at 31st March 2018

Amount in ₹

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

Summary of significant accounting policies 1
Notes on Standalone Financial Statements 2 to 43
These notes are an integral part of the Standalone Financial Statements.
As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn No.-301051E

H.K. Verma
Partner
Membership No. 055104

Place: Kolkata
Date: 22nd May 2018

For and on behalf of the Board of Directors

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Bansal
Managing Director
DIN: 00137014

Abhishek Agarwal
Chief Financial Officer

Arbind Jain
Company Secretary

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

Amount in ₹

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

 Summary of significant accounting policies
 Notes on Standalone Financial Statements

 1
 2 to 43

 These notes are an integral part of the Standalone Financial Statements.
 As per our report of even date

For and on behalf of the Board of Directors

 For **Lodha & Co.**
 Chartered Accountants
 Firm Regn No.-301051E

Ram Gopal Bansal
 Chairman
 DIN: 00144159

Harsh Bansal
 Managing Director
 DIN: 00137014

H.K. Verma
 Partner
 Membership No. 055104

Abhishek Agarwal
 Chief Financial Officer

Arbind Jain
 Company Secretary

 Place: Kolkata
 Date: 22nd May 2018

Standalone Cash Flow for the year ended 31st March 2018

Amount in ₹

	31st March 2018	31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	71,65,05,564	43,42,51,724
ADJUSTMENTS FOR -		
Depreciation	47,58,95,533	43,07,32,889
Finance Costs	46,57,04,698	41,73,89,901
Liabilities no longer required written back	(3,01,40,189)	-
Interest Income	(86,60,975)	(61,14,616)
Profit on sale of Property, Plant and Equipment	(5,52,04,411)	
Loss on Fair Valuation of Financial Instruments	12,71,730	
	84,88,66,386	84,20,08,174
OPERATING EXPENSES BEFORE WORKING CAPITAL CHANGES	1,56,53,71,950	1,27,62,59,898
ADJUSTMENTS FOR -		
Trade & other receivables	(27,66,51,024)	(3,38,79,887)
Inventories	(45,99,19,401)	6,73,072
Loans and Advances	(21,31,67,871)	38,19,24,381
Trade Payable and Other Liabilities	37,41,82,607	(6,87,26,455)
	(57,55,55,689)	27,99,91,111
Other Non Current Assets	-	-
CASH GENERATED FROM OPERATIONS	98,98,16,261	1,55,62,51,009
Direct Taxes Paid	(8,73,22,282)	(10,77,40,794)
NET CASH FLOW FROM OPERATING ACTIVITIES	90,24,93,980	1,44,85,10,215
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(8,57,99,906)	(46,30,23,576)
Sale of Fixed Assets	6,67,21,179	12,36,252
Interest Received	86,60,975	61,14,616
Bank Deposits having maturity more than three months	(3,57,13,980)	(65,40,025)
Unsecured Loan Given	3,55,37,218	(1,60,70,444)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,05,94,514)	(47,82,83,177)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(46,57,04,698)	(41,73,89,901)
Proceeds From Bank Borrowing	(43,29,32,863)	(54,78,47,738)
Payment of Dividend including Taxes	(27,09,087)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(90,13,46,648)	(96,52,37,639)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(94,47,183)	49,89,399
Cash & Cash Equivalents (Opening Balance)	1,45,30,021	95,40,623
Cash & Cash Equivalents (Closing Balance) - Refer Note No. 9	50,82,839	1,45,30,021

Standalone Cash Flow for the year ended 31st March 2018 (Contd.)

Reconciliation of Liabilities arising from Financing activities

Amount in ₹

Particulars	As at 31st March 2017	Proceeds raised	Repayment	Finance cost/ non cash	As at 31st March 2018
Long Term Borrowings					
- From Bank	2,09,37,46,622	42,76,006	(44,91,34,506)		1,64,88,88,122
- From others	9,25,30,328	45,21,608	(5,00,02,009)		4,70,49,927
- From bodies corporate	26,12,98,558	7,55,01,283	(1,05,82,907)	3,26,21,694	35,88,38,628
Short Term Borrowings					
- From Bank	2,26,43,00,103	1,24,72,87,720	(1,28,74,21,751)		2,22,41,66,072
Total	4,71,18,75,611	1,33,15,86,617	(1,79,71,41,173)	3,26,21,694	4,27,89,42,749

Note:

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

Summary of significant accounting policies
 Notes on Standalone Financial Statements

1
 2 to 43

These notes are an integral part of the Standalone Financial Statements.
 As per our report of even date

For and on behalf of the Board of Directors

For **Lodha & Co.**
 Chartered Accountants
 Firm Regn No.-301051E

Ram Gopal Bansal
 Chairman
 DIN: 00144159

Harsh Bansal
 Managing Director
 DIN: 00137014

H.K. Verma
 Partner
 Membership No. 055104

Abhishek Agarwal
 Chief Financial Officer

Arbind Jain
 Company Secretary

Place: Kolkata
 Date: 22nd May 2018

Standalone Statement of changes in Equity for the year ended 31st March 2018

(a) Equity Share Capital

Amount in ₹

Particulars	
Balance as at 1st April 2016	22,50,86,460
Changes during the year	-
Balance As at 31st March 2017	22,50,86,460
Changes during the year	-
Balance as at 31st March 2018	22,50,86,460

(b) Other Equity

Amount in ₹

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

Refer Note No. 16 for nature and purpose of reserves

Summary of significant accounting policies

1

Notes on Standalone Financial Statements

2 to 43

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

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co.

Chartered Accountants

Firm Regn No.-301051E

Ram Gopal Bansal

Chairman

DIN: 00144159

Harsh Bansal

Managing Director

DIN: 00137014

H.K. Verma

Partner

Membership No. 055104

Abhishek Agarwal

Chief Financial Officer

Arbind Jain

Company Secretary

Place: Kolkata

Date: 22nd May 2018

Notes to the Standalone Financial Statements

Note 1-Summary of significant accounting policies

A. Corporate Information

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

B. Statement of Compliance and Recent Pronouncements

i) Statement of Compliance

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

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

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

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

ii) Recent Pronouncements

Standards issued but not yet effective:

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

Ind AS-115 - Revenue from Contracts with Customers

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

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

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

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

Notes to the Standalone Financial Statements

C. Significant Accounting Policies

a. Basis of Preparation

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

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

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

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

b. Fair Value Measurement

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

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

(a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

(c) Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

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

c. Property Plant and Equipment (PPE)

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

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

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

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

Depreciation and Amortization

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

Notes to the Standalone Financial Statements

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

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

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

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

d. Intangible Assets

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

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

e. Derecognition of Tangible and Intangible assets

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

f. Non-current assets held for sale

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

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

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

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

g. Investments in subsidiaries, associates and joint ventures

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

h. Leases

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

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

Notes to the Standalone Financial Statements

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

i. Impairment of Tangible and Intangible Assets

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

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

j. Financial assets and financial liabilities

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

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

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

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

1) Cash and cash equivalents

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

2) Financial Assets and Financial Liabilities measured at amortised cost

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

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

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

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

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

Notes to the Standalone Financial Statements

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

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

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

5) Impairment of financial assets

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

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

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

6) Derecognition of financial instruments

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

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

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

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

k. Inventories

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

The cost in respect of raw materials is determined on First in First out basis (FIFO) and in respect of Finished Goods and Stores and Spares determined on Weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials and stores and spares includes the taxes other than those recoverable from taxing authorities and expenses incidental to the procurement of the same. Cost in case of Finished goods represents prime cost and appropriate portion of overheads.

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

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

l. Foreign Currency Transactions

Presentation Currency

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

Transactions and Balances

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange

Notes to the Standalone Financial Statements

rate at the date of transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss.

m. Equity Share Capital

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

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

n. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

o. Employee Benefits

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

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

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

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

p. Revenue

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

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

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

q. Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset,

Notes to the Standalone Financial Statements

that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

r. Government Grants

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

s. Taxes on Income

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

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

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

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

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

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

t. Earnings Per Share

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

u. Segment Reporting

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

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

The preparation of the Standalone financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes

Notes to the Standalone Financial Statements

aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Standalone financial statements.

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

a. Arrangements containing leases and classification of leases

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

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

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

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

c. Impairment loss on trade receivables

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

d. Income taxes

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

e. Defined benefit obligation (DBO)

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

f. Provisions and Contingencies

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

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

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

Notes to the Standalone Financial Statements

2. Property Plant and Equipment

Amount in ₹

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

Notes:

- 2.1 The Gross Block as on the date of transition i.e. April 01,2016 given herein above represents previous GAAP written down value of Property,Plant and Equipment considered as "deemed cost" as per the provision of Ind AS 101 "First-Time Adoption of Indian Accounting Standards"-Refer Note 42.7(i) and(iii).
- 2.2 Refer Note No. 17.1 and 21.1 to standalone financial statement in respect of charge created on Property, Plant and Equipment against borrowings.

3. Intangible Assets

Amount in ₹

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

Notes:

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

Notes to the Standalone Financial Statements

4. Non Current Investments

Amount in ₹

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

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

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

Amount in ₹

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company		
			As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Sail Bansal Service Centre Limited	Manufacturing	India	60.00%	60.00%	60.00%
Bansal Nepal Private Limited (Refer Note 14.1)	Manufacturing	Nepal	0.00%	100.00%	100.00%
Confident Financial Consultancy Private Limited	Investment	India	100.00%	100.00%	100.00%
Perfect Investment Consultancy Private Limited	Investment	India	100.00%	100.00%	100.00%
Sidhant Investment Advisory Private Limited	Investment	India	100.00%	100.00%	100.00%
Sidhi Vinayak Comosales Private Limited	Investment	India	100.00%	100.00%	100.00%
Shri Hari Vinicom Private Limited	Investment	India	100.00%	100.00%	100.00%
Narayana Dealcom Private Limited	Investment	India	100.00%	100.00%	100.00%
Fairplan Vintrade Private Limited	Investment	India	100.00%	100.00%	100.00%
Nageshwara Tradelink Private Limited	Investment	India	100.00%	100.00%	100.00%

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

Notes to the Standalone Financial Statements

5. Other Non Current Financial Assets

Amount in ₹

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

Notes:

5.1 Kept as lien against issue of Bank Guarantee and Letter of credit.

5.2 Nature and Extent of Grant

Represents grant of ₹450 Lakhs approved on 29th October 2015 for investment in Plant & Machinery in Jamshedpur under capital promotion incentive scheme. As per the terms of the scheme, 20% of the grant amount will be received by the company for 5 years starting from 2016-17.

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

6. Other Non Current Assets

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Prepayments		2,31,40,249	2,74,38,092	1,18,43,766
(b) Capital Advance		16,79,74,413	15,54,68,185	15,49,62,355
(c) Deferred Loss on fair valuation of Financial instrument		28,21,593	29,78,709	31,35,824
		19,39,36,255	18,58,84,986	16,99,41,945

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

Amount in ₹

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

Notes:

7.1 Excise Duty included in inventory

Amount in ₹

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

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

7.3 Cost of Inventory recognised as expense during the year amounted to ₹7,84,42,44,186 (31st March 2017- ₹6,25,77,00,323)

Notes to the Standalone Financial Statements

8. Trade Receivables

Amount in ₹

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

Notes:

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

8.2 Age of Receivable:

Amount in ₹

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

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

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

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

9. Cash and cash equivalents

Amount in ₹

Particulars	Notes No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Balances with banks				
In Current accounts		40,07,822	1,43,15,294	90,23,773
in dividend account	9.1	8,27,541	-	-
(b) Cash on hand		2,47,476	2,14,727	5,16,850
		50,82,839	1,45,30,021	95,40,623

Note:

9.1 Balance with banks on unpaid dividend account represents monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

10. Other Bank balances

Amount in ₹

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

Notes:

10.1 Kept as lien against issue of Bank Guarantee and Letter of credit.

Notes to the Standalone Financial Statements

11. Loans

Amount in ₹

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

12. Other Financial Assets

Amount in ₹

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

13. Other Current Assets

Amount in ₹

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

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

14. Assets classified as held for sale

Amount in ₹

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

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

15. Equity Share Capital

Amount in ₹

Particulars	Notes No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised:				
50,00,00,000 Equity Shares of Re. 1 each		50,00,00,000	50,00,00,000	50,00,00,000
(31.03.2017: 50,00,00,000 Equity Shares of Re. 1 each)				
(01.04.2016: 5,00,00,000 Equity Shares of ₹10 each)				
		50,00,00,000	50,00,00,000	50,00,00,000
Issued, Subscribed and fully paid up:				
22,50,86,460 Equity Shares of Re. 1 each		22,50,86,460	22,50,86,460	22,50,86,460
(31.03.2017: 22,50,86,460 Equity Shares of Re. 1 each)				
(01.04.2016: 2,25,08,646 Equity Shares of ₹10 each)				
		22,50,86,460	22,50,86,460	22,50,86,460

Notes to the Standalone Financial Statements

15. Equity Share Capital (Contd.)

Notes:

15.1 The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

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

15.3 Shareholders holding more than 5% equity shares

No. of Shares

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

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

16. Other Equity

Amount in ₹

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

Notes:

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

16.1 Capital Reserve

Capital Reserve comprises of:

Amount in ₹

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

16.1.1 In earlier year, the Company has issued 4540625 warrants at a price of ₹40/- each, entitling the holder to 1 equity share. As per terms and conditions of the issue, the warrant holders have an option to convert warrant to Equity at any time on or before 18 months from the date of allotment (i.e. 30.05.2013) at exercise price of ₹160/-per share. Proceeds of ₹4,17,16,680 against 10,42,917 Warrants against which no such option was exercised and being non adjustable or non refundable has been forfeited and credited during the year to Capital Reserve and included under Other Equity.

16.2 Securities Premium Reserve

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

16.3 General Reserve

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

16.4 Retained Earnings

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

Notes to the Standalone Financial Statements

16. Other Equity (Contd.)

16.5 Declaration of Dividend

- (a) The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. The Board of Directors in its meeting held on 07th December, 2017 has declared an Interim Dividend of Re. 0.01 per equity shares (1%).
- (b) Subsequent to Balance Sheet date the Board of Directors has declared on 10th April 2018 an Interim Dividend of ₹0.02 per equity shares for the Financial Year 2018-19.

17. Borrowings

Amount in ₹

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

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

Financial Year	Amount in ₹
2018-2019	27,60,90,380
2019-2020	29,14,25,000
2020-2021	30,54,18,000
2021-2022	7,52,70,000
Total	94,82,03,380

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

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

Notes to the Standalone Financial Statements

17. Borrowings (Contd.)

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

Financial Year	Amount in ₹
2018-2019	3,75,00,000

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

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

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

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

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

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

18. Non Current Provisions

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

Notes:

18.1 For other disclosures, refer Note 39

19. Deferred Tax Liabilities(Net)

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

Notes to the Standalone Financial Statements

19. Deferred Tax Liabilities(Net) (Contd.)

Components of Deferred tax (Assets)/ Liabilities as at 31st March 2018 are given below : Amount in ₹

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

Components of Deferred tax (Assets)/ Liabilities as at 31st March 2017 are given below : Amount in ₹

2017-18	Opening Balance	Recognised In profit or Loss	Recognised In Other Comprehensive Income	Closing Balance
Deferred tax liabilities/(assets) in relation to:				
Deferred Tax Assets				
Defined benefit obligation	20,25,463	-	6,89,830	27,15,293
Mat Credit entitlement	21,82,90,019	6,04,96,532	-	27,87,86,551
Total Deferred Tax Assets	22,03,15,482	6,04,96,532	6,89,830	28,15,01,844
Deferred Tax Liabilities				
Property, plant and equipment	64,30,85,354	6,47,41,021	-	70,78,26,375
Lease Rentals	65,69,686	6,16,225	-	71,85,911
Total Deferred Tax Liabilities	64,96,55,040	6,53,57,246	-	71,50,12,286
NET DEFERRED TAX (ASSETS)/ LIABILITIES	42,93,39,558	48,60,714	(6,89,830)	43,35,10,442

20. Other Non Current Liabilities

Amount in ₹

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

21. Current Liabilities- Borrowings

Amount in ₹

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

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

Notes to the Standalone Financial Statements

22. Current Liabilities- Trade payables

Amount in ₹

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

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

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

23. Current Liabilities- Other financial liabilities

Amount in ₹

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

Note

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

24. Other Current liabilities

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Advances received from customers		13,72,165	3,55,67,729	5,02,41,638
(b) Statutory Dues (GST,service tax, sales tax, TDS etc.)	23.1	63,33,772	8,43,868	5,37,690
(c) Deferred gain on fair valuation of financial instruments		4,13,07,512	4,13,07,512	4,13,07,512
(d) Deferred revenue arising from Government Grants		34,28,303	34,28,303	34,28,303
(e) Others		-	4,17,16,680	4,17,16,680
		5,24,41,752	12,28,64,092	13,72,31,823

25. Current liabilities- Provisions

Amount in ₹

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

25.1 For other disclosures, refer Note 39

Notes to the Standalone Financial Statements

26. Revenue from Operations

Amount in ₹

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

Notes

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

27. Other Income

Amount in ₹

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

28. Cost of Materials Consumed

Amount in ₹

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

29. Changes in stock of finished goods, stock in trade and work-in-progress and scrap

Amount in ₹

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

Notes to the Standalone Financial Statements

30. Employee benefits expense

Amount in ₹

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

31. Finance Costs

Amount in ₹

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

32. Other Expenses

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Consumption of stores and spares		30,65,85,771	37,61,33,712
(b) Power and Fuel		53,25,82,279	31,18,95,655
(c) Rent	36	2,48,35,157	2,25,37,495
(d) Repairs to			
Plant and machinery		1,65,55,584	21,75,511
Buildings		13,15,621	22,173
Others		3,11,18,853	67,09,251
(e) Insurance		54,64,643	52,19,468
(f) Rates and Taxes	32.2	15,91,86,685	1,18,58,201
(g) Transportation Charges Paid		21,64,31,268	20,83,63,523
(h) Directors' Remuneration		3,61,69,000	3,24,39,000
(i) Carriage inward		4,74,92,984	5,03,22,449
(j) Excise duty paid and on stock		3,14,49,823	26,76,67,453
(k) Bank Charge		2,76,87,709	1,84,35,754
(l) Travelling and conveyance		2,06,94,690	1,62,31,659
(m) Legal and professional fees		1,17,47,762	2,59,69,591
(n) Security Charges		56,39,046	64,02,294
(o) Exchange Gain/Loss		33,77,744	(91,696)
(p) Telephone and communication		20,04,992	24,12,628
(q) Hire Charges		42,50,330	59,31,758
(r) Advertising and sales promotion		48,90,830	39,93,695
(s) Payment to Auditor	32.1	16,90,000	11,45,200
(t) Loss on investment in subsidiary held for sale	14.1	12,71,730	-
(u) Miscellaneous expenses		18,27,69,539	10,53,09,357
		1,67,52,12,040	1,48,10,84,131

Notes to the Standalone Financial Statements

32. Other Expenses (Contd.)

32.1 Payment to Auditor includes:

Particulars	Note No.	Amount in ₹	
		For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Audit Fees		10,00,000	9,25,000
(b) Tax Audit Fees		-	75,000
(c) Certifications etc.		6,90,000	70,000
(d) Reimbursement of expenses		-	75,200
	32.1.1	16,90,000	11,45,200

32.1.1 Includes Payment to Previous Auditor :

Particulars	Note No.	Amount in ₹	
		For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Audit Fees		-	9,25,000
(b) Tax Audit Fees		-	75,000
(c) Certifications etc.		-	70,000
(d) Reimbursement of expenses		-	75,200
		-	11,45,200

32.2 Includes ₹14,36,89,162 (Previous Year ₹ Nil) being payment made to Sales Tax Authorities under settlement of Dispute Scheme

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

Particulars	Note No.	Amount in ₹	
		For the year ended 31.03.2018	For the year ended 31.03.2017
Contract Revenue Recognition for the year		22,83,165	58,19,537
Total costs incurred and recognised profits for contracts in progress at the reporting date		14,44,867	51,53,070
Advance Received		-	-
Amount of Retention for contracts in progress at reporting date		-	-
Gross Amount due from customers for contract work		-	-

33. Tax Expense

Particulars	Amount in ₹	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Tax Expense	20,51,62,997	9,51,39,216
	20,51,62,997	9,51,39,216

33.1 Components of Tax Expense

Particulars	Amount in ₹	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Current tax	20,70,91,058	9,02,78,502
Deferred tax	(19,28,061)	48,60,714
Total tax expense recognised in the current year	20,51,62,997	9,51,39,216

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

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

Notes to the Standalone Financial Statements

33. Tax Expense (Contd.)

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Profit before tax	71,65,05,564	43,42,51,724
Income tax expense calculated at 34.608%	24,79,68,245	15,02,85,837
Add: Effect of Expenses that are not deductible in determining taxable profit		
Expenses not allowed for tax purpose	1,80,086	2,26,18,836
Certain expenses to be allowed on payment basis	27,98,821	19,11,715
Less: Effect of Expense/income that are deductible/not taxable in determining taxable profit		
Depreciation as per Income tax Act, 1961	2,20,54,254	3,47,00,816
Effect of other adjustments	2,37,29,901	4,49,76,356
Income Tax recognised in profit and loss	20,51,62,997	9,51,39,216

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

33.3 Income Tax recognised in Other Comprehensive Income

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Deferred tax (charge)/ Credit on		
Remeasurement of defined benefit obligation	(16,91,566)	6,89,830
Total income tax recognised other comprehensive income	(16,91,566)	6,89,830
Bifurcation of the income tax recognized in Other comprehensive income into :		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	(16,91,566)	6,89,830

33.4 Components of Other Comprehensive Income

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Items that will not be reclassified to profit or (loss)		
Remeasurement of defined benefit obligation(Net of Tax)	31,96,222	(13,03,438)
	31,96,222	(13,03,438)

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

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A. Contingent Liabilities			
Claims against the Company not acknowledged as Debt			
i. Counter guarantee issued by company to bank,in respect of bank guarantee issued	54,19,36,897	57,14,63,632	43,54,16,200
ii. Corporate guarantee issued by company on behalf of subsidiary company-Sail Bansal Service Centre Limited (to the extent of borrowing there against)	34,67,870	1,09,69,120	1,87,50,000
iii. Income tax demands under appeal	2,18,22,190	1,63,54,600	2,11,93,530

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

Notes to the Standalone Financial Statements

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

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

Particulars	Amount in ₹		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A. Capital Commitment			
Capital commitments	1,38,48,000	1,61,84,297	1,13,20,599

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

36. Operating lease disclosures

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

37. Earnings Per Share

Particulars	Amount in ₹	
	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Profit/(Loss) after Tax for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss (₹)	51,13,42,567	33,91,12,508
(b) Number of Equity Shares (Nos):		
(i) Weighted average number of equity shares outstanding during the period	22,50,86,460	22,50,86,460
(ii) Dilutive Potential Equity shares	Nil	Nil
Nominal value per equity share (Re.)	1	1
(c) Earnings per share of Equity share of Re.1 each (in ₹) - Basic (a/b(i))	2.27	1.51
(d) Earnings per share of Equity share of Re.1 each (in ₹) - Diluted (a/b(ii))	2.27	1.51

38. Segment Reporting

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

(ii) Geographical Segment

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

(iii) Information about Major Customer

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

Notes to the Standalone Financial Statements

39. Employee Benefits

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

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

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

i) Defined Contribution Scheme

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

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Employer's Contribution to Provident Fund	72,40,094	61,35,205
Employer's Contribution to Employee State Insurance	29,49,769	13,80,008

ii) Defined Benefit Scheme

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

Amount in ₹

For Gratuity (Unfunded)	2017-18	2016-17	2015-16
A. Change in fair value of Defined Benefit Obligation :			
Present Value of Defined Benefit Obligations as at the beginning of the year	2,53,51,822	1,92,60,181	1,37,18,024
Current Service Cost	31,35,815	32,42,879	26,94,612
Past Service Cost	1,03,234		
Interest Cost	18,97,175	14,23,224	10,86,145
Benefit Paid	14,26,362	5,67,730	2,82,429
Actuarial (Gain) / Losses	(48,87,788)	19,93,268	20,43,829
Present Value of Defined Benefit Obligations as at the end of the year	2,41,73,896	2,53,51,822	1,92,60,181
B. Change in Fair Value of plan Assets :			
Fair value of Plan Assets at the beginning of the year	-	-	-
Expected Return on Plan assets	-	-	-
Contributions by the Employers	-	-	-
Benefit paid	-	-	-
Actuarial Gains/(Losses)	-	-	-
Fair value of plan Assets at the end of the year	-	-	-
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:			
Present Value of Defined Benefit Obligations as at the end of the year	2,41,73,896	2,53,51,822	1,92,60,181
Fair value of Plan Assets at the end of the year	-	-	-
Liability /(Assets) recognized in the Balance Sheet	2,41,73,896	2,53,51,822	1,92,60,181
D. Components of Defined Benefit Cost			
Current Service Cost	31,35,815	32,42,879	26,94,612
Past Service Cost	1,03,234	-	-
Interest Cost	18,97,175	14,23,224	10,86,145
Expected Return on Plan Assets	-	-	-
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	(48,87,788)	19,93,268	20,43,829
Total Defined Benefit Cost recognized in the Statement of Profit and Loss and OCI	2,48,436	66,59,371	58,24,586

Notes to the Standalone Financial Statements

39. Employee Benefits (Contd.)

Amount in ₹

For Gratuity (Unfunded)	2017-18	2016-17	2015-16
E. Principal Actuarial Assumptions used			
Discounted Rate (per annum) Compound	7.70%	7.50%	8.00%
Salary Inflation Rate	6.00%	6.00%	6.00%
Mortality Rate	IALM 2006-2008 ULTIMATE		
Attrition Rate	1.00%	1.00%	1.00%
Retirement age	60 years		
Expected Rate of return on Plan Assets	NA	NA	NA

Amount in ₹

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

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

G. Sensitivity analysis

Amount in ₹

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

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

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

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

I.

Amount in ₹

Particulars	As at	As at
	31st March 2018	31st March 2017
Average no of people employed	623	705

Notes to the Standalone Financial Statements

40. Related Party Transactions

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

A.

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

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

Amount in ₹

Nature Of Transactions	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
i. Sales			
Sail Bansal Service Centre Ltd		9,49,426	-
ii. Rent Paid			
Ramgopal Bansal		15,00,000	15,00,000
iii. Remuneration			
Ramgopal Bansal		1,56,00,000	1,56,00,000
Harsh Bansal		1,02,00,000	84,00,000
Vivek Bansal		1,02,00,000	84,00,000
iv. Purchase			
Sail Bansal Service Centre Limited		-	48,16,328
v. Rent Received			
JIT Transport Organisation		25,20,000	-

Notes to the Standalone Financial Statements

40. Related Party Transactions (Contd.)

C) Balances of Related parties is as follows:

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
i. Outstanding Balances (Receivables)				
Bansal Nepal Private Limited		2,21,10,731	2,21,10,731	2,21,10,731
Sail Bansal Service Centre Limited		3,24,88,502	6,80,25,720	5,19,55,276
JIT Transport Organisation		35,15,400	-	-
ii. Outstanding Balances (Payable)				
Sail Bansal Service Centre Limited		2,82,287	-	-
Shri Hari Vincom Private Limited		2,27,99,800	-	-
Perfect Investment Consultancy Private Limited		1,83,98,590	-	-
Encash Commercial Private Limited		-	20,00,000	20,00,000
Pioneer Goods Private Limited		-	50,00,000	50,00,000
Jayamala Commercial Private Limited		-	1,50,000	1,50,000

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

Amount in ₹

Nature Of Transactions	As At	As At
	31st March 2018	31st March 2017
Short-term employee benefits	3,60,00,000	3,24,00,000
Post-employment benefits*	-	-
*Excluding contribution to gratuity fund		

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

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

41. Financial Instruments

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

Amount in ₹

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets measured at Amortised Cost						
Trade Receivables	2,08,95,16,089	2,08,95,16,089	1,81,28,65,065	1,81,28,65,065	1,77,89,85,178	1,77,89,85,178
Cash and cash equivalents	50,82,839	50,82,839	1,45,30,021	1,45,30,021	95,40,623	95,40,623
Other Bank Balances	9,61,41,076	9,61,41,076	6,74,32,361	6,74,32,361	5,89,92,336	5,89,92,336
Loans	1,24,32,725	1,24,32,725	1,69,32,558	1,69,32,558	1,57,44,498	1,57,44,498
Other Financial Assets	4,13,55,747	4,13,55,747	5,28,66,539	5,28,66,539	6,51,59,416	6,51,59,416
Financial Liabilities (Current and Non-Current)						
Financial Liabilities measured at Amortised Cost						
Borrowings	4,27,89,42,749	4,27,89,42,749	4,71,18,75,611	4,71,18,75,611	5,25,97,23,349	5,25,97,23,349
Trade Payables	63,29,12,468	63,29,12,468	24,26,73,298	24,26,73,298	27,55,10,522	27,55,10,522
Other Financial Liabilities	7,12,80,908	7,12,80,908	9,64,76,258	9,64,76,258	7,69,43,477	7,69,43,477

Fair Valuation Techniques

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

Notes to the Standalone Financial Statements

41. Financial Instruments (Contd.)

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

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

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

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

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

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

FINANCIAL RISK FACTORS

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

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

MARKET RISK

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

Interest Rate Risk

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

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

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

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

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's Standalone Financial Statements

Foreign Currency Risk

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

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

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

Notes to the Standalone Financial Statements

41. Financial Instruments (Contd.)

Amount in ₹

Particulars	31st March 2018	31st March 2017	April 01, 2016
	Borrowings	Borrowings	Borrowings
USD	61,47,49,676	78,14,72,089	93,83,48,705

Amount in ₹

Nature Of Transactions	For the year ended 31st March 2018	For the year ended 31st March 2017
	Payables (Weaking of INR by 5%)	
USD	(3,07,37,484)	(3,90,73,604)

Figures in bracket represent Loss.

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

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

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

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

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

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

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

LIQUIDITY RISK

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

Liquidity and interest risk tables

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

Notes to the Standalone Financial Statements

41. Financial Instruments (Contd.)

Interest rate and currency of borrowings

As at 31st March 2018

Amount in ₹

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

As at 31st March 2017

Amount in ₹

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

Maturity Analysis of unamortised Financial Liabilities

As at 31st March 2018

Amount in ₹

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	4,59,69,10,011	2,22,41,66,072	27,36,70,228	26,05,75,153	1,83,84,98,558	4,59,69,10,011
Trade payables	63,29,12,468	-	63,29,12,468	-	-	63,29,12,468
Other Liabilities	7,12,80,908	8,27,540	7,04,53,368	-	-	7,12,80,908

As at 31st March 2017

Amount in ₹

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	5,06,63,22,624	2,26,43,00,103	23,88,37,659	24,50,48,198	2,31,81,36,665	5,06,63,22,624
Trade payables	24,26,73,298	-	24,26,73,298	-	-	24,26,73,298
Other Liabilities	9,64,76,258	-	9,64,76,258	-	-	9,64,76,258

As at April 01, 2016

Amount in ₹

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

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

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

Notes to the Standalone Financial Statements

41. Financial Instruments (Contd.)

The gearing ratio is as follows:

Amount in ₹

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

42. First time Ind AS adoption reconciliation

In terms of IND AS 101, "First-Time Adoption of Indian Accounting Standards" the required reconciliation of Equity, Other Comprehensive Income and Cash Flows with respect to the figures reported under the previous GAAP are as under:

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

Amount in ₹

Particulars	Note	Previous GAAP Balance Sheet as at 1st April 2016	Effect of transition to Ind AS	IND AS Balance Sheet As at 1st April 2016	Previous GAAP Balance Sheet as at 31st March 2017	Effect of transition to Ind AS	IND AS Balance Sheet As at 31st March 2017
ASSETS							
Non-current Assets							
(a) Property, Plant And Equipment	(i) & (iii a1)	5,55,08,54,835	(6,88,84,723)	5,48,19,70,112	5,49,08,25,307	(8,77,66,572)	5,40,30,58,735
(b) Capital Work-in-progress		24,19,48,927	-	24,19,48,927	35,20,55,151	-	35,20,55,151
(c) Other Intangible assets		19,38,729	-	19,38,729	12,92,486	-	12,92,486
(d) Financial Assets						-	
i) Investments		9,83,62,262	-	9,83,62,262	9,83,62,262	-	9,83,62,262
ii) Other Financial Assets	(ii) & (vi)	1,93,05,702	3,16,83,361	5,09,89,063	1,77,22,212	2,27,51,697	4,04,73,909
(e) Other Non current assets	(i) & (ii)	15,49,62,355	1,49,79,590	16,99,41,945	15,54,68,185	3,04,16,801	18,58,84,986
		6,06,73,72,810	(2,22,21,772)	6,04,51,51,038	6,11,57,25,603	(3,45,98,074)	6,08,11,27,529
Current Assets							
(a) Inventories		1,79,31,30,669	-	1,79,31,30,669	1,79,24,57,602	-	1,79,24,57,602
(b) Financial Assets		-					
(i) Trade receivables		1,77,89,85,178	-	1,77,89,85,178	1,81,28,65,065	-	1,81,28,65,065
(ii) Cash and cash equivalents		95,40,623	-	95,40,623	1,45,30,021	-	1,45,30,021
(iii) Other Bank balances		5,89,92,337	-	5,89,92,336	6,74,32,361	-	6,74,32,361
(iv) Loans		1,57,44,497	-	1,57,44,498	1,69,32,558	-	1,69,32,558
(v) Others	(vi)	51,70,353	90,00,000	1,41,70,353	33,92,630	90,00,000	1,23,92,630
(c) Other current assets	(i), (ii), (v)	96,81,96,533	(21,64,59,146)	75,17,37,387	67,29,48,515	(27,58,35,170)	39,71,13,345
		4,62,97,60,190	(20,74,59,146)	4,42,23,01,044	4,38,05,58,752	(26,68,35,170)	4,11,37,23,582
Total Assets		10,69,71,33,000	(22,96,80,918)	10,46,74,52,082	10,49,62,84,355	(30,14,33,244)	10,19,48,51,111
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		22,50,86,460	-	22,50,86,460	22,50,86,460	-	22,50,86,460
(b) Other Equity	42.3	4,04,25,57,113	(35,25,02,177)	3,69,00,54,936	4,40,86,28,333	(38,07,64,326)	4,02,78,64,007
		4,26,76,43,573	(35,25,02,177)	3,91,51,41,396	4,63,37,14,793	(38,07,64,326)	4,25,29,50,467
Non-current Liabilities							
(a) Financial Liabilities							
i) Borrowing	(iii a1) (iii a2) (iii b)	2,80,71,70,481	(38,90,47,926)	2,41,81,22,555	2,31,81,36,665	(35,44,47,013)	1,96,36,89,652
(b) Provisions		1,71,44,358	-	1,71,44,358	2,30,91,757	-	2,30,91,757
(c) Deferred Tax Liabilities	(v)	31,60,91,126	11,32,48,432	42,93,39,558	35,36,17,280	7,98,93,162	43,35,10,442
(d) Other Non Current Liabilities	(iii b) (vi)	-	35,38,84,936	35,38,84,936	-	30,91,49,121	30,91,49,121
		3,14,04,05,965	7,80,85,442	3,21,84,91,407	2,69,48,45,702	3,45,95,270	2,72,94,40,972

Notes to the Standalone Financial Statements

42. First time Ind AS adoption reconciliation (Contd.)

Amount in ₹

Particulars	Note	Previous GAAP Balance Sheet as at 1st April 2016	Effect of transition to Ind AS	IND AS Balance Sheet As at 1st April 2016	Previous GAAP Balance Sheet as at 31st March 2017	Effect of transition to Ind AS	IND AS Balance Sheet As at 31st March 2017
Current liabilities							
(a) Financial Liabilities							
i) Borrowings		2,36,54,65,494	-	2,36,54,65,494	2,26,43,00,103	-	2,26,43,00,103
ii) Trade Payables		27,55,10,522	-	27,55,10,522	24,26,73,299	-	24,26,73,298
iii) Other Financial Liabilities		55,30,78,777	-	55,30,78,777	58,03,62,114	-	58,03,62,114
(b) Other current liabilities	(iii b) (vi)	9,24,96,008	4,47,35,815	13,72,31,823	7,81,28,279	4,47,35,812	12,28,64,092
(c) Provisions		25,32,663	-	25,32,663	22,60,065	-	22,60,065
		3,28,90,83,464	4,47,35,815	3,33,38,19,279	3,16,77,23,860	4,47,35,812	3,21,24,59,672
Total Equity and Liabilities		10,69,71,33,002	(22,96,80,920)	10,46,74,52,082	10,49,62,84,355	(30,14,33,244)	10,19,48,51,111

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

Amount in ₹

Particulars	Note No.	Previous GAAP Statement of Profit or Loss for the year ended 31st March 2017	Effect of transition to IND AS	IND AS Statement of Profit or Loss for the year ended 31st March 2017
Revenue				
I. Revenue from Operations	(ii) (iii b) (vi)	7,77,08,53,711	-	7,77,08,53,711
II. Other Income		1,76,44,533	4,48,04,151	6,24,48,684
III. Total Income (I+II)		7,78,84,98,244	4,48,04,151	7,83,33,02,395
Expenses				
Cost of Materials Consumed		4,64,62,15,119	-	4,64,62,15,119
Purchase of Stock-in-Trade		25,32,45,321	-	25,32,45,321
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		(1,48,21,614)	-	(1,48,21,614)
Employee Benefit Expenses	(iv)	18,71,98,192	(19,93,268)	18,52,04,924
Finance costs	(iii a 1) (iii a 2) & (iii b)	38,27,88,988	3,46,00,913	41,73,89,901
Depreciation and amortisation expense	(iii a 1)	43,20,20,220	(12,87,331)	43,07,32,889
Other Expenses	(i) & (ii)	1,47,74,72,674	36,11,457	1,48,10,84,131
IV. Total Expenses		7,36,41,18,900	3,49,31,771	7,39,90,50,671
V. Profit/(loss) before tax (III-IV)		42,43,79,344	98,72,380	43,42,51,724
VI. Tax expense:				
(1) Current tax	(v)	2,97,81,970	6,04,96,532	9,02,78,502
(2) Deferred tax	(v)	3,75,26,154	(3,26,65,440)	48,60,714
Tax expense		6,73,08,124	2,78,31,092	9,51,39,216
VII. Profit/(Loss) for the year after Tax (V-VI)		35,70,71,220	(1,79,58,712)	33,91,12,508
VIII. Other Comprehensive Income				
Items that will not be reclassified to Profit or Loss				
Re-measurement gains/ (losses) on defined benefit plans		-	(19,93,268)	(19,93,268)
Income tax relating to items that will not be reclassified to Profit or Loss		-	6,89,830	6,89,830

Notes to the Standalone Financial Statements

42. First time Ind AS adoption reconciliation (Contd.)

Amount in ₹

Particulars	Note No.	Previous GAAP Statement of Profit or Loss for the year ended 31st March 2017	Effect of transition to IND AS	IND AS Statement of Profit or Loss for the year ended 31st March 2017
Other Comprehensive Income for the year after tax		-	(13,03,438)	(13,03,438)
IX. Total Comprehensive Income for the year (VII+VIII)		35,70,71,220	(1,92,62,150)	33,78,09,070

42.3 Reconciliation of Total Equity as given below:

Amount in ₹

Particulars	Note No.	As at 31st March 2017	As at 1st April 2016
Total Equity(Shareholders' Funds) under previous GAAP		4,63,37,14,793	4,26,76,43,573
IND AS Adjustment			
Effect of adjustment of Processing Fees for Property, Plant & Equipments		(89,81,513)	(53,24,016)
Effect of Fair Valuation of Financial Instruments		3,11,52,838	1,95,90,190
Effect of de recognition of Lease Rentals		(4,01,49,489)	(3,66,95,148)
Effect of recognition of Government Grant receivable under capital promotion incentive scheme		(41,06,450)	14,65,247
Recognition of deferred tax on asset base of Property, Plant & Equipment and others		(35,86,79,712)	(33,15,38,450)
Total Equity as per IND AS		4,25,29,50,467	3,91,51,41,396

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

Amount in ₹

Particulars	Note No.	For the year ended 31st March 2017
1. Net Profit under previous GAAP		35,70,71,220
Adjustments		
Increase in other income as per Effective Interest Method		68,336
Increase in Finance Costs as per Effective Interest Method		(3,46,00,913)
Effect of present value of financial instruments		4,47,35,815
Effect of de-recognition of lease rentals		(23,24,126)
Gain on adjustment for gratuity amount recognized in other comprehensive income		19,93,268
Recognition of deferred tax on asset base of Property, Plant & Equipment and others		(2,78,31,092)
2. Total Effect on Conversion to Ind AS		(1,79,58,712)
3. Net profit for the period under Ind AS (1+2)		33,91,12,508
4. Other Comprehensive Income for the period (net of tax)	33.4	(13,03,438)
5. Total Comprehensive Income under Ind AS (3+4)		33,78,09,070

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

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

Notes to the Standalone Financial Statements

42. First time Ind AS adoption reconciliation (Contd.)

42.6 FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

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

i) Overall principle:

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

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

The Company has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

iii) Impairment of financial assets

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

iv) Determining whether an arrangement contains a lease

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

v) Investment in Subsidiaries and Associates

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

vi) Derecognition of financial assets and financial liabilities

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

42.7 Explanatory Notes to reconciliation between Previous GAAP and Ind AS

(i) Accounting of Leasehold Land

- a) Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments. Consequently, as on the transition date 1st April 2016 carrying amount of the leasehold land amounting to ₹5,02,12,669 has been decapitalized and remaining unamortised portion as on transition date amounting to ₹325,00,665 have been shown as prepayments under Ind AS with corresponding decrease on equity by ₹1,77,12,004. Further payments made for Lease hold Land during the year 31st March 2017 were also decapitalised and transferred to Prepayments under Ind AS and accordingly the value of Lease hold Land have been reduced by ₹2,01,69,178 with corresponding increase in Prepayments during the year ended 31st March 2017. Subsequent changes for the year ended 31st March 2017 amounting to ₹16,73,756 shown under Other Expenses has been recognised in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

42. First time Ind AS adoption reconciliation (Contd.)

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

(ii) Fair Valuation of Financial Assets & Liabilities

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

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of profit and loss.

On transition, the Company has fair valued certain financial assets including Security Deposits. This has resulted in decrease in Security Deposits by ₹43,16,639, recognition of Deferred Loss on fair valuation of Financial Instrument RS. 32,92,939 and decrease in total Equity ₹10,23,700 as on 1st April 2016 and the subsequent changes for the year ended 31st March 2017 amounting to ₹1,57,115 shown under Other Expense and ₹68,336 shown under Other Inome has been recognised in the Statement of Profit and Loss.

(iii) Borrowings

(a) Term Loan from Banks and Others:

1. Under previous GAAP, transaction costs incurred for raising finance from Bank in respect of acquiring Property, Plant & Equipments was considered as part of cost of Property, Plant & Equipments and are capitalised with the PPE. Under Ind AS, Transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition as Financial liability consisting of long term borrowings are to be fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. These costs are recognized over the tenure of the borrowing as part of the interest cost by applying Effective Interest Rate method. Such interest costs are added with the cost of PPE till the PPE are ready for use. Accordingly, as on the transition date 1st April 2016, the carrying amount of the Property , Plant & Equipment amounting to ₹1,86,72,054 has been decapitalized with corresponding decrease of Long Term Borrowings by ₹94,84,978 and decrease in Equity by ₹91,87,076 and subsequent changes for the year ended 31st March 2017 amounting to ₹12,87,331 shown under Depreciation and Finance Costs ₹34,87,579 has been recognised in the Statement of Profit and Loss.
2. Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit or Loss in the year in which such costs were incurred

Under Ind AS, financial liability consisting of long term borrowings are to fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. the transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition date, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by ₹38,63,060 as on 1st April 2016 respectively with corresponding increase in total equity and subsequent changes for the year ended 31st March 2017 amounting to ₹14,57,249 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

(b) Unsecured loan from Bodies Corporate: Under Previous GAAP, receivables and payables were recognised at transaction value.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The resulting changes are either recognised under finance income or expenses in the Statement of profit and loss.

Notes to the Standalone Financial Statements

42. First time Ind AS adoption reconciliation (Contd.)

On transition, the Company has fair valued unsecured Loans taken from Bodies corporate. This has resulted in decrease in unsecured Loan by ₹37,56,99,888 recognition of Deferred Gains on fair valuation of Financial instruments ₹35,50,85,998 and increase in total Equity ₹2,06,13,890 as on 1st April 2016 and the subsequent changes for the year ended 31st March 2017 amounting to ₹4,13,07,512 shown under other income and ₹2,96,56,085 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

(iv) Remeasurement of Defined Benefit Plan

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

This has resulted in reclassification of re-measurement gains on defined benefit plans (net of tax) of ₹13,03,438 for the year ended 31st March 2017 from Statement of profit and loss to OCI."

(v) Taxation

(a) In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT) and accordingly the carrying value of Minimum Alternate Tax credit entitlement amounting to ₹21,82,90,019 (₹27,87,86,551 as on 31st March 2017) as per Previous GAAP shown under Other Current Assets as on 1st April 2016 being transition date have been reduced from Deferred Tax Liability under Ind AS. Consequently, Reversal of MAT Credit entitlement of ₹6,04,96,532 shown under Income Tax expenses for the year 31st March 2017 under previous GAAP have been reclassified as Deferred Tax Charges for the year ended 31st March 2017 under Ind AS.

(b) Deferred tax has been recognized in respect of accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by ₹33,15,38,451 as on 1st April 2016 and subsequent changes for the year ended 31st March 2017 amounting to ₹2,71,41,262 shown under Deferred Tax charges has been recognised in the Statement of Profit and Loss.

(vi) Government Grant

Grant of ₹450 Lakhs was approved to the Company on 29th October 2015 for investment in Plant & Machinery in Jamshedpur under Capital promotion Incentive Scheme on 29th October 2015. As per the terms and conditions of the grant, 20% of the grant amount will be received in 5 year starting from 2016-17. Subsidy received is recognized under Capital reserve under the previous GAAP.

Ind AS does not permit recognition of government grant in the nature of Capital Subsidy to capital reserve. Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset.

Accordingly, to comply with Ind AS- 20 the Company has recognised Government Grant aggregating to ₹4,50,00,000 as Government Grant Receivable with the corresponding recognition of Deferred income of ₹4,35,34,753 and the differential impact aggregating to ₹14,65,247 has been transferred to retained earnings as at the transition date and the subsequent changes for the year ended 31st March 2017 amounting to ₹34,28,303 shown under Other Income in the Statement of Profit and Loss. Further receipt of 20% of the grant amounting to ₹90,00,000 shown under Capital reserve under previous GAAP by the Company have been adjusted from Government Grant receivable recognised under Ind AS on transition Date."

Notes to the Standalone Financial Statements

42. First time Ind AS adoption reconciliation (Contd.)

vii) Corporate Guarantee

Under previous GAAP, Corporate Guarantee issued by the Company on behalf of Subsidiary Companies was not recognised but disclosed as a Contingent Liability.

Under Ind AS, Corporate Guarantee issued by the Company are designated as "Insurance Contracts". The Company has classified the financial guarantee contract as contingent liability. Accordingly, there are no assets and liabilities recognised in the Balance Sheet under the contract.

viii) Previous GAAP figures have been reclassified to conform with IND AS presentation requirements for the purpose of these notes.

43. These financial statements have been approved by the Board of Directors of the Company on May 22, 2018 for issue to the shareholders for their adoption.

For and on behalf of the Board of Directors

For **Lodha & Co.**
Chartered Accountants
Firm Regn No.-301051E

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Bansal
Managing Director
DIN: 00137014

H.K. Verma
Partner
Membership No. 055104

Abhishek Agarwal
Chief Financial Officer

Arbind Jain
Company Secretary

Place: Kolkata
Date: 22nd May 2018

INDEPENDENT AUDITORS' REPORT

To the Members of
BMW INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

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

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act")(as amended) that give a true and fair view of the state of affairs (consolidated financial position), Profit or Loss (consolidated financial performance including other comprehensive income), Consolidated Cash Flows and Consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS financial statements.

Basis for Qualified Opinion

Attention is invited to the following matter: -

Note No. 4.1 of the Consolidated financial statement regarding non disclosures and fair valuation of Investments in terms of Ind AS 109 "Financial Instruments" in the absence of details available with the certain Subsidiary Companies, the impact in this respect has not been ascertained presently.

Impacts with respect to above are presently not ascertainable and as such cannot be commented upon by us.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs (Financial Position) of the Group as at 31st March 2018 and their Consolidated Profit (financial performance including other comprehensive income), their Consolidated cash flows and the Consolidated changes in Equity for the year then ended.

Other Matters

(a) We did not audit the financial statements of eight subsidiaries incorporated in India, whose financial statements reflect Total

Assets of ₹1,47,95,86,287 as at 31st March 2018, Total Revenues of ₹17,79,517 and Net Cash outflows of ₹9,85,476 for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors, whose reports have been furnished to us by the management of the Holding Company and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- (b) The comparative financial information of the Group for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor, M/s. Deoki Bijay & Co. Chartered Accountants, whose reports for the year ended 31st March 2017 and 31st March 2016 dated 24th August 2017 and 25th August 2016 respectively expressed unmodified opinion on those financial statements, as adjusted for the Group on transition to the Ind AS, which have been audited by us. Reliance has been placed by us on the said financial statements and the report issued thereupon for the purpose of this Consolidated financial statements and the report issued by us.

Our Opinion is not modified in respect of the above matters Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;
 - b) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books and the report of the other auditor;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
 - d) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion

above, the aforesaid Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows comply with the Indian Accounting Standards specified under section 133 of the Act;

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 and taken on record by the Board of Directors of the Holding Company and the report of other statutory auditor of its subsidiaries, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Holding Company and subsidiaries, which are companies incorporated in India. Our report expresses an qualified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting; and
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 34 to the Consolidated Ind AS financial statements.
 - ii. The Group did not have any long-term contracts, including derivative contracts as at 31st March 2018, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the investor education and protection fund by the subsidiaries during the year ended 31st March 2018.

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

Place: Kolkata
Date: May 26, 2018

H K Verma
Partner
Membership No: 055104

“Annexure A” referred to in our report of even date

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31st, 2018, we have audited the internal financial controls over financial reporting of BMW Industries Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included

obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their report referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit the following material weakness have been identified in the Company's internal financial controls over financial reporting as at 31st March 2018:

Note No. 4.1 of the Consolidated financial Statement regarding non disclosures and fair valuation of Investments in terms of Ind AS 109 " Financial Instruments" in the absence of details available with the Subsidiary Companies, the impact in this respect has not been ascertained presently.

A "material weakness" is a deficiency, or a combination of deficiencies, in the internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March

2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to eight subsidiary companies which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

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

Place: Kolkata
Date: May 26, 2018

H K Verma
Partner
Membership No: 055104

Consolidated Balance Sheet as at 31st March 2018

Amount in ₹

	Notes No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	2	5,16,06,04,461	5,46,84,94,853	5,55,75,60,702
(b) Capital Work-in-progress		21,47,66,958	35,23,52,870	24,22,46,646
(c) Intangible Assets	3	6,46,243	12,92,486	19,38,729
(d) Financial Assets				
i) Investments	4	78,64,02,620	85,24,58,620	86,84,89,620
ii) Other Financial Assets	5	3,27,32,966	4,16,16,515	5,21,31,669
Deferred Tax Assets (Net)	19	41,43,643	45,88,355	26,03,896
(e) Other Non current assets	6	20,03,78,579	19,28,68,619	17,76,46,249
Total Non-current Assets		6,39,96,75,470	6,91,36,72,318	6,90,26,17,511
Current Assets				
(a) Inventories	7	2,25,46,68,914	1,79,98,12,343	1,80,03,48,347
(b) Financial Assets				
(i) Trade receivables	8	2,15,41,76,321	1,83,05,77,682	1,79,76,94,425
(ii) Cash and cash equivalents	9	85,43,310	1,91,49,466	1,38,26,826
(iii) Other Bank balances	10	9,61,41,076	6,74,32,361	5,89,92,336
(iv) Loans	11	58,87,01,549	59,20,17,271	57,61,84,136
(v) Others	12	90,00,000	1,23,92,630	1,41,70,353
(c) Other current assets	13	45,14,84,436	33,59,91,909	68,64,73,596
Total Current Assets		5,56,27,15,606	4,65,73,73,662	4,94,76,90,019
(d) Assets Classified as held for sale	14	3,05,21,580	-	-
Total Assets		11,99,29,12,656	11,57,10,45,980	11,85,03,07,530
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	22,50,86,460	22,50,86,460	22,50,86,460
(b) Other Equity	16	5,93,75,45,832	5,34,13,70,194	5,00,57,31,971
Equity attributable to Equity Shareholders of the Parent		6,16,26,32,292	5,56,64,56,654	5,23,08,18,431
Non Controlling Interest		66,00,223	53,58,048	65,01,342
Total Equity		6,16,92,32,515	5,57,18,14,702	5,23,73,19,773
Non-current Liabilities				
(a) Financial Liabilities				
Borrowings	17	1,52,05,31,294	1,96,55,60,146	2,42,74,66,048
(b) Provisions	18	2,44,10,705	2,48,76,959	1,86,08,339
(c) Deferred Tax Liabilities (Net)	19	43,32,73,947	43,51,88,882	43,09,19,532
(d) Other Non Current Liabilities	20	26,44,13,305	30,91,49,121	35,38,84,936
Total Non-current Liabilities		2,24,26,29,251	2,73,47,75,108	3,23,08,78,855
Current liabilities				
(a) Financial Liabilities				
i) Borrowings	21	2,22,49,66,072	2,27,18,83,779	2,38,63,22,860
ii) Trade Payables	22	64,13,76,723	27,00,29,406	29,27,94,656
iii) Other Financial Liabilities	23	61,33,16,139	59,47,93,647	56,12,29,792
(b) Other current liabilities	24	5,34,59,896	12,52,43,992	13,90,28,578
(c) Provisions	25	4,79,32,060	25,05,346	27,33,016
Total Current liabilities		3,58,10,50,890	3,26,44,56,170	3,38,21,08,902
Total liabilities		5,82,36,80,141	5,99,92,31,278	6,61,29,87,757
Total Equity and Liabilities		11,99,29,12,656	11,57,10,45,980	11,85,03,07,530

Summary of significant accounting policies

1

Notes on Consolidated Financial Statements

2 to 44

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

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Regn No.-301051E

H.K. Verma

Partner

Membership No. 055104

Place: Kolkata

Date: 26th May 2018

For and on behalf of the Board of Directors

Ram Gopal Bansal

Chairman

DIN: 00144159

Harsh Bansal

Managing Director

DIN: 00137014

Abhishek Agarwal

Chief Financial Officer

Arbind Jain

Company Secretary

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

Amount in ₹

Sl No.	Particulars	Notes No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I	Revenue from operations	26	9,48,29,31,484	7,79,42,92,175
II	Other Income	27	15,69,93,266	6,65,09,998
III	Total Income (I + II)		9,63,99,24,750	7,86,08,02,173
IV	EXPENSES			
	(a) Cost of materials consumed	28	5,50,00,89,394	4,64,62,15,119
	(b) Purchases of Stock in Trade		71,72,65,199	25,32,45,321
	(c) (Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress	29	(18,11,54,658)	(1,49,44,371)
	(d) Employee benefits expense	30	24,34,70,141	19,13,76,677
	(e) Finance costs	31	46,73,72,972	42,13,62,156
	(f) Depreciation and amortisation expense	2 & 3	48,26,61,883	44,08,87,362
	(g) Other expenses	32	1,69,01,70,797	1,49,34,70,864
	Total Expenses (IV)		8,91,98,75,728	7,43,16,13,128
V	Profit before tax (III - IV)		72,00,49,022	42,91,89,045
VI	Tax Expense			
	(1) Current tax		20,72,81,888	9,02,78,502
	(2) Deferred tax- Charge/(Credit)	19	(15,19,170)	30,15,779
	Total tax expense		20,57,62,718	9,32,94,281
VII	Profit for the year (V-VI)		51,42,86,304	33,58,94,764
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	-Remeasurement gains / (losses) on defined benefit plans		49,61,773	(21,30,723)
	-Income tax relating to items that will not be reclassified to profit or loss	33.3	(17,27,387)	7,30,888
	Other Comprehensive Income for the year(net of tax)	33.4	32,34,386	(13,99,835)
IX	Total comprehensive income for the year (VII + VIII)		51,75,20,690	33,44,94,929
	Profit for the year Attributable to :			
	- Owners of the Company		51,30,59,395	33,69,99,499
	- Non Controlling Interests		12,26,909	(11,04,735)
	Other Comprehensive Income for the year :			
	- Owners of the Company		32,19,120	(13,61,276)
	- Non Controlling Interests		15,266	(38,559)
	Total Comprehensive Income for the year :			
	- Owners of the Company		51,62,78,515	33,56,38,223
	- Non Controlling Interests		12,42,175	(11,43,294)
X	Earnings per Equity share (of par value Re 1 each):			
	(1) Basic	37	2.28	1.50
	(2) Diluted	37	2.28	1.50

 Summary of significant accounting policies
 Notes on Consolidated Financial Statements

 1
 2 to 44

 These notes are an integral part of the Consolidated Financial Statements.
 As per our report of even date

For and on behalf of the Board of Directors

 For Lodha & Co.
 Chartered Accountants
 Firm Regn No.-301051E

 Ram Gopal Bansal
 Chairman
 DIN: 00144159

 Harsh Bansal
 Managing Director
 DIN: 00137014

 H.K. Verma
 Partner
 Membership No. 055104

 Abhishek Agarwal
 Chief Financial Officer

 Arbind Jain
 Company Secretary

 Place: Kolkata
 Date: 26th May 2018

Consolidated Cash Flow for the year ended 31st March 2018

Amount in ₹

	31st March 2018	31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	72,00,49,022	42,91,89,045
ADJUSTMENTS FOR -		
Depreciation	48,26,61,883	44,08,87,362
Finance Costs	46,73,72,972	42,13,62,156
Liabilities no longer required written back	(3,01,40,189)	-
Interest Income	(86,60,975)	(61,14,616)
Profit on sale of Property, Plant and Equipment	(5,52,04,411)	
Loss on Fair Valuation of Financial Instruments	12,71,730	
	85,73,01,010	85,61,34,902
OPERATING EXPENSES BEFORE WORKING CAPITAL CHANGES	1,57,73,50,032	1,28,53,23,947
ADJUSTMENTS FOR -		
Trade & other receivables	(32,35,98,640)	(3,28,83,257)
Inventories	(45,48,56,571)	5,36,005
Loans and Advances	(9,15,54,943)	36,96,78,761
Trade Payable and Other Liabilities	29,95,37,649	(5,13,36,673)
	(57,04,72,505)	28,59,94,836
Other Non Current Assets	-	-
CASH GENERATED FROM OPERATIONS	1,00,68,77,526	1,57,13,18,783
Direct Taxes Paid	(8,79,30,691)	(10,74,52,487)
NET CASH FLOW FROM OPERATING ACTIVITIES	91,89,46,835	1,46,38,66,297
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(8,57,99,906)	(46,30,23,576)
Sale of Fixed Assets	6,67,21,179	12,36,252
Interest Received	86,60,975	61,14,616
Bank Deposits having maturity more than three months	(3,57,13,980)	(65,40,025)
Sale of Investments	3,42,62,690	1,60,31,000
Unsecured Loan Given		(2,21,79,889)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,18,69,042)	(46,83,61,622)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(46,73,72,972)	(42,13,62,156)
Proceeds From Bank Borrowing	(44,72,17,789)	(56,88,19,878)
Payment of Dividend including Taxes	(27,09,087)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(91,72,99,847)	(99,01,82,034)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(1,02,22,053)	53,22,640
Cash & Cash Equivalents (Opening Balance)	1,91,49,466	1,38,26,826
Less: Adjustment of cash and cash equivalents of Subsidiary included above at the beginning of the year on account of assets classified as held for sale during the year	3,84,103	
Cash & Cash Equivalents (Closing Balance) - Refer Note No. 9	85,43,310	1,91,49,466

Consolidated Cash Flow for the year ended 31st March 2018 (Contd.)

Reconciliation of Liabilities arising from Financing activities

Amount in ₹

Particulars	As at 31st March 2017	Proceeds raised	Repayment	Finance Cost/ Non cash Adjustments	As at 31st March 2018
Long Term Borrowings					
- From Bank	2,10,47,15,742	42,76,006	(45,66,35,756)		1,65,23,55,992
-From others	9,25,30,328	45,21,608	(5,00,02,009)		4,70,49,927
-From bodies corporate	26,12,98,558	7,55,01,283	(1,05,82,907)	3,26,21,694	35,88,38,628
Short Term Borrowings					
-From Bank	2,27,10,83,779	1,25,67,57,925	(1,30,36,75,632)		2,22,41,66,072
-From Bodies Corporate	8,00,000				8,00,000
Total	4,73,04,28,408	1,34,10,56,823	(1,82,08,96,303)	3,26,21,695	4,28,32,10,619

Note:

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

Summary of significant accounting policies 1
 Notes on Consolidated Financial Statements 2 to 44

These notes are an integral part of the Consolidated Financial Statements.
 As per our report of even date

For **Lodha & Co.**
 Chartered Accountants
 Firm Regn No.-301051E

H.K. Verma
 Partner
 Membership No. 055104

Place: Kolkata
 Date: 26th May 2018

For and on behalf of the Board of Directors

Ram Gopal Bansal
 Chairman
 DIN: 00144159

Harsh Bansal
 Managing Director
 DIN: 00137014

Abhishek Agarwal
 Chief Financial Officer

Arbind Jain
 Company Secretary

Consolidated Statement of changes in Equity for the year ended 31st March 2018

(a) Equity Share Capital

Amount in ₹

Particulars	
Balance as at 1st April 2016	22,50,86,460
Changes during the year	-
Balance As at 31st March 2017	22,50,86,460
Changes during the year	-
Balance as at 31st March 2018	22,50,86,460

(b) Other Equity

Amount in ₹

Particulars	Reserves and Surplus				Attributable to owners of the parent	Non Controlling Interest	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2016	1,39,62,31,051	1,66,82,96,900	22,07,29,328	1,72,04,74,692	5,00,57,31,971	65,01,342	5,01,22,33,313
Profit for the year	-	-	-	33,69,99,499	33,69,99,499	(11,04,735)	33,58,94,764
Other Comprehensive Income for the year arising from Remeasurement of defined benefit obligation (Net of Income Tax)	-	-	-	(13,61,276)	(13,61,276)	(38,559)	(13,99,835)
Less : Share of Minority Interest							
Balance As at 31.03.2017	1,39,62,31,051	1,66,82,96,900	22,07,29,328	2,05,61,12,915	5,34,13,70,194	53,58,048	5,34,67,28,242
Payment of dividends	-	-	-	(22,50,865)	(22,50,865)		(22,50,865)
Tax on dividends paid	-	-	-	(4,58,222)	(4,58,222)		(4,58,222)
Profit for the year	-	-	-	51,30,59,395	51,30,59,395	12,26,909	51,42,86,304
Other Comprehensive Income for the year arising from Remeasurement of defined benefit obligation (Net of Income Tax)	-	-	-	32,19,120	32,19,120	15,266	32,34,386
Adjustment for change in ownership interest				4,08,89,530	4,08,89,530		4,08,89,530
Forfeiture of convertible Warrants (Refer Note No. 16.1.1)	4,17,16,680	-	-	-	4,17,16,680		4,17,16,680
Balance As at 31.03.2018	1,43,79,47,731	1,66,82,96,900	22,07,29,328	2,61,05,71,873	5,93,75,45,832	66,00,223	5,94,41,46,055

Refer Note No. 16 for nature and purpose of reserves

Summary of significant accounting policies 1
Notes on Consolidated Financial Statements 2 to 44

These notes are an integral part of the Consolidated Financial Statements.
As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn No.-301051E

H.K. Verma
Partner
Membership No. 055104

Place: Kolkata
Date: 26th May 2018

For and on behalf of the Board of Directors

Ram Gopal Bansal
Chairman
DIN: 00144159

Harsh Bansal
Managing Director
DIN: 00137014

Abhishek Agarwal
Chief Financial Officer

Arbind Jain
Company Secretary

Notes to the Consolidated Financial Statements

Note 1-Summary of significant accounting policies

A. Corporate Information

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

The consolidated financial statements relate to BMW Industries Limited (hereinafter referred to as 'the Company') and its Subsidiaries (collectively hereinafter referred to as 'Group') as detailed below:

Investment in Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company		
			As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Sail Bansal Service Centre Limited	Processing of Steel	India	60.00%	60.00%	60.00%
Bansal Nepal Private Limited*	Manufacturing	Nepal	0.00%	100.00%	100.00%
Confident Financial Consultancy Private Limited	Investment	India	100.00%	100.00%	100.00%
Perfect Investment Consultancy Private Limited	Investment	India	100.00%	100.00%	100.00%
Sidhant Invesment Advisory Private Limited	Investment	India	100.00%	100.00%	100.00%
Sidhi Vinayak Comosales Private Limited	Investment	India	100.00%	100.00%	100.00%
Shri Hari Vincom Private Limited	Investment	India	100.00%	100.00%	100.00%
Narayana Dealcom Private Limited	Investment	India	100.00%	100.00%	100.00%
Fairplan Vintrade Private Limited	Investment	India	100.00%	100.00%	100.00%
Nageshwara Tradelink Private Limited	Investment	India	100.00%	100.00%	100.00%

* The Company entered into a Share Purchase Agreement (SPA) on 04th April 2017 for sale of its entire shareholding in Bansal Nepal Private Limited and accordingly has been classified as held for sale as given in Note No. 14.1 of the Consolidated Financial Statements.

B. Statement of Compliance and Recent Pronouncements

i) Statement of Compliance

The Group excepting as stated in Note No. 4.2 relating to fair valuation of investments held by the certain Subsidiary Companies has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore IND ASs issued, notified and made effective till the Consolidated financial statements are authorized have been considered for the purpose of preparation of these Consolidated financial statements.

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

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

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

Notes to the Consolidated Financial Statements

ii) Recent Pronouncements

Standards issued but not yet effective:

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

Ind AS-115 - Revenue from Contracts with Customers

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

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

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

The Group is evaluating the requirements of the same and its effect on the Consolidated Financial Statements.

C. Significant Accounting Policies

a. Basis of Preparation

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

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

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

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

b. Fair Value Measurement

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

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

(a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

(c) Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

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

Notes to the Consolidated Financial Statements

c. Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Subsidiaries

- i. Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:
 - a. Power over the investee
 - b. Exposure or rights to variable returns from its involvement with the investee
 - c. The ability to use its power over the investee to affect its returns

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

- ii. The Group combines the financial statements of the Company and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
- iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- iv. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.
- v. Non-controlling interest's share of net profit of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.
- vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

Notes to the Consolidated Financial Statements

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

d. Property Plant and Equipment (PPE)

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

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

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

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

Depreciation and Amortization

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

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

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

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

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

e. Intangible Assets

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

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

f. Derecognition of Tangible and Intangible assets

An item of Property, Plant and Equipment and Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant

Notes to the Consolidated Financial Statements

and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

g. Non-current assets held for sale

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

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

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

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

h. Investments in associates and joint ventures

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

i. Leases

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

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

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

j. Impairment of Tangible and Intangible Assets

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

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

k. Financial assets and financial liabilities

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

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

Notes to the Consolidated Financial Statements

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

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

1) Cash and cash equivalents

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

2) Financial Assets and Financial Liabilities measured at amortised cost

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

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

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

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

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

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

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

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

5) Impairment of financial assets

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

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

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

6) Derecognition of financial instruments

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

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

Notes to the Consolidated Financial Statements

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

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

i. Inventories

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

The cost in respect of raw materials is determined on First in First out basis (FIFO) and in respect of Finished Goods and Stores and Spares determined on Weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials and stores and spares includes the taxes other than those recoverable from taxing authorities and expenses incidental to the procurement of the same. Cost in case of Finished goods represents prime cost and appropriate portion of overheads.

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

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

m. Foreign Currency Transactions

Presentation Currency

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

Transactions and Balances

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

n. Equity Share Capital

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

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

o. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Notes to the Consolidated Financial Statements

p. Employee Benefits

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

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

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

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

q. Revenue

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

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

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

r. Borrowing Costs

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

s. Government Grants

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

t. Taxes on Income

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

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

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

Notes to the Consolidated Financial Statements

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

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

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

u. Earnings Per Share

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

v. Segment Reporting

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

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

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

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

a. Arrangements containing leases and classification of leases

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

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

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

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

Notes to the Consolidated Financial Statements

c. Impairment loss on trade receivables

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

d. Income taxes

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

e. Defined benefit obligation (DBO)

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

f. Provisions and Contingencies

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

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

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

Notes to the Consolidated Financial Statements

2. Property Plant and Equipment

Amount in ₹

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
(A) Gross Carrying Value/Deemed Cost						
As at 1st April 2016	8,91,35,800	69,05,98,859	4,58,00,20,282	2,35,80,623	17,42,25,138	5,55,75,60,702
Additions	26,15,274	39,31,781	33,61,86,785	1,58,051	95,19,631	35,24,11,522
Disposal	-	-	-	-	-	-
Other Adjustments	(33,09,800)	-	-	-	-	(33,09,800)
As at 31st March 2017	8,84,41,274	69,45,30,640	4,91,62,07,067	2,37,38,674	18,37,44,769	5,90,66,62,424
Additions	1,05,26,284	1,74,44,101	20,90,91,235	80,04,227	1,51,93,536	26,02,59,383
Disposal	-	-	(6,47,74,322)	(3,79,524)	(12,02,511)	(6,63,56,357)
Reclassified as held for sale	(37,56,696)	(79,91,434)	(1,31,71,673)	(7,087)	(22,666)	(2,49,49,556)
Other Adjustments	-	(43,55,782)	5,28,91,277	-	-	4,85,35,495
As at 31st March 2018	9,52,10,862	69,96,27,525	5,10,02,43,584	3,13,56,290	19,77,13,128	6,12,41,51,389
(B) Accumulated Depreciation						
As at 1st April 2016	-	-	-	-	-	-
Charge for the period	-	2,84,52,395	37,60,58,615	40,15,423	3,17,14,686	44,02,41,119
Disposal	-	-	-	-	-	-
Other Adjustments	-	-	(20,73,548)	-	-	(20,73,548)
As at 31st March 2017	-	2,84,52,395	37,39,85,067	40,15,423	3,17,14,686	43,81,67,571
Charge for the period	-	2,84,04,369	41,71,38,905	39,28,831	3,25,43,535	48,20,15,640
Disposal	-	-	(69,41,957)	-	-	(69,41,957)
Reclassified as held for sale	-	-	(1,672)	(2,362)	(5,667)	(9,701)
Other Adjustments	-	-	5,03,47,805	(32,430)	-	5,03,15,375
As at 31st March 2018	-	5,68,56,764	83,45,28,148	79,09,462	6,42,52,554	96,35,46,928
(C) Net Carrying Amount (A-B)						
As at 1st April 2016 (Deemed Cost)	8,91,35,800	69,05,98,859	4,58,00,20,282	2,35,80,623	17,42,25,138	5,55,75,60,702
As at 31st March 2017	8,84,41,274	66,60,78,245	4,54,22,22,000	1,97,23,251	15,20,30,083	5,46,84,94,853
As at 31st March 2018	9,52,10,862	64,27,70,761	4,26,57,15,436	2,34,46,828	13,34,60,574	5,16,06,04,461

Notes:

- The Gross Block as on the date of transition i.e. April 01,2016 given herein above represents previous GAAP written down value of Property,Plant and Equipment considered as "deemed cost" as per the provision of Ind AS 101 "First-Time Adoption of Indian Accounting Standards"-Refer Note 42.7(i) and(iii).
- Refer Note No. 17.1 and 21.1 to consolidated financial statement in respect of charge created on Property, Plant and Equipment against borrowings.
- In respect of one of the Subsidiary Company valuation of Property Plant and Equipment has been carried out by an independent valuer as on 31st March 2018 on "net realisable value" method. Based on the same the management is of the view that there is no indication of impairment of assets.

Notes to the Consolidated Financial Statements

3. Intangible Assets

Amount in ₹

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

Notes:

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

4. Non Current Investments

Amount in ₹

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Investments measured at Fair Value through Other Comprehensive Income						
In equity Instruments						
Unquoted						
In Bodies Corporate		78,64,02,620		85,24,58,620		86,84,89,620
		78,64,02,620		85,24,58,620		86,84,89,620
Aggregate amount of unquoted investments		78,64,02,620		85,24,58,620		86,84,89,620

- 4.1 Investment in Bodies Corporate represents investments made by certain subsidiaries details whereof and resultant fair valuation are pending compilation. As such, required disclosure and the fair valuation in terms of Ind AS 109, "Financial Instruments", has not been carried out and the same, therefore has been carried at cost.

Notes to the Consolidated Financial Statements

5. Other Non Current Financial Assets

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
At amortised cost				
a) Security Deposits		77,27,701	1,46,16,515	1,42,31,669
b) Fixed Deposit with Bank (having maturity more than 12 months)	5.1	70,05,265	-	19,00,000
c) Grant Receivable	5.2	1,80,00,000	2,70,00,000	3,60,00,000
		3,27,32,966	4,16,16,515	5,21,31,669

Notes:

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

5.2 Nature and Extent of Grant

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

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

6. Other Non Current Assets

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Prepayments		2,95,82,573	3,44,21,725	1,93,68,708
(b) Capital Advance		16,79,74,413	15,54,68,185	15,49,62,355
(c) Deferred Loss on fair valuation of Financial instrument		28,21,593	29,78,709	31,35,824
(d) Security Deposits		-	-	1,79,362
		20,03,78,579	19,28,68,619	17,76,46,249

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

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Raw materials		1,09,75,80,576	91,39,11,944	91,77,15,340
(b) Finished goods	7.1	67,26,18,467	49,16,29,685	47,15,73,580
(c) Work in Progress		30,80,62,991	28,77,62,499	29,68,36,175
(d) Stores and Spares		17,64,06,880	10,62,84,939	10,87,65,485
(e) Stock-in-trade	7.1	-	88,660	19,73,222
(f) Scrap	7.1	-	1,34,616	34,84,545
		2,25,46,68,914	1,79,98,12,343	1,80,03,48,347

Notes:

7.1 Excise Duty included in inventory

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Finished Goods	-	5,40,43,910	5,39,82,629
Stock-in-trade	-	-	2,09,396
Scrap	-	-	3,87,172
	-	5,40,43,910	5,45,79,197

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

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

Notes to the Consolidated Financial Statements

8. Trade Receivables

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Receivables		2,15,41,76,321	1,83,05,77,682	1,80,12,92,219
		2,15,41,76,321	1,83,05,77,682	1,80,12,92,219
Less: Impairment Allowance for receivables	8.5	-	-	35,97,794
		2,15,41,76,321	1,83,05,77,682	1,79,76,94,425
Classification of trade receivables (Gross)				
Secured, considered good		-	-	-
Unsecured, considered good		2,15,41,76,321	1,83,05,77,682	1,79,76,94,425
Doubtful		-	-	35,97,794
		2,15,41,76,321	1,83,05,77,682	1,80,12,92,219

Notes:

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

8.2 Age of Receivable:

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Within the credit period	2,07,26,37,981	1,80,36,26,249	1,74,90,09,298
1-180 days past due	1,97,61,905	76,07,343	84,23,686
More than 180 days past due	6,17,76,435	1,93,44,090	4,38,59,235
Total	2,15,41,76,321	1,83,05,77,682	1,80,12,92,219

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

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

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

8.5 Movement of impairment allowances for receivables :

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances at Beginning of Year	-	35,97,794	6,66,797
Add: Impairment Allowances recognised during the year	-	-	29,30,997
Less: Impairment Allowances written back during the year	-	35,97,794	-
Balances at End of the Year	-	-	35,97,794

9. Cash and cash equivalents

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Balances with banks				
In Current accounts		51,79,528	1,82,60,376	1,22,12,588
In Cash Credit accounts		20,55,664	9,545	9,545
in dividend account		8,27,541	-	-
(b) Cash on hand		4,80,577	8,79,545	16,04,693
		85,43,310	1,91,49,466	1,38,26,826

Notes to the Consolidated Financial Statements

10. Other Bank balances

Amount in ₹

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

Notes:

1 10.1 Kept as lien against issue of Bank guarantee and Letter of credit

11. Loans

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
At Amortised Cost				
Unsecured, considered good				
Loans and advances to employees		1,24,32,725	1,70,03,179	1,57,88,434
Loans to Bodies Corporate, etc		57,62,68,824	57,50,14,092	56,03,95,702
		58,87,01,549	59,20,17,271	57,61,84,136

12. Other Financial Assets

Amount in ₹

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

13. Other Current Assets

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Advance to vendors		40,54,69,216	8,86,68,977	54,81,54,591
(b) Balances with government authorities		1,86,40,354	9,73,61,100	2,81,42,888
(c) Advance Income Tax (Net of provision)		-	12,21,97,049	10,50,23,065
(d) Surplus in Gratuity Fund		5,80,962	5,80,962	5,80,962
(e) Advance to related parties		2,18,28,444	2,21,79,889	-
(f) Prepaid expenses		14,72,770	15,11,242	21,99,910
(g) Prepayments		33,35,575	33,35,575	22,15,065
(h) Deferred Loss on fair valuation of Financial instrument		1,57,115	1,57,115	1,57,115
		45,14,84,436	33,59,91,909	68,64,73,596

14. Assets classified as held for sale

Amount in ₹

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

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

Notes to the Consolidated Financial Statements

15. Equity Share Capital

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised:				
50,00,00,000 Equity Shares of Re. 1 each		50,00,00,000	50,00,00,000	50,00,00,000
(31.03.2017: 50,00,00,000 Equity Shares of Re. 1 each)				
(01.04.2016: 5,00,00,000 Equity Shares of ₹10 each)				
		50,00,00,000	50,00,00,000	50,00,00,000
Issued,Subscribed and fully paid up:				
22,50,86,460 Equity Shares of Re. 1 each		22,50,86,460	22,50,86,460	22,50,86,460
(31.03.2017: 22,50,86,460 Equity Shares of Re. 1 each)				
(01.04.2016: 2,25,08,646 Equity Shares of ₹10 each)				
		22,50,86,460	22,50,86,460	22,50,86,460

Notes:

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

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

15.3 Shareholders holding more than 5% equity shares

Company Name	No. of Shares		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Ram Gopal Bansal	3,57,50,000	3,57,50,000	35,75,000
Harsh Kumar Bansal	1,84,47,250	1,84,47,250	18,44,725
Vivek Kumar Bansal	1,40,22,080	1,40,22,080	14,02,208

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

16. Other Equity

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Capital Reserve	16.1	1,43,79,47,731	1,39,62,31,051	1,39,62,31,051
(b) Securities Premium Reserve	16.2	1,66,82,96,900	1,66,82,96,900	1,66,82,96,900
(c) General Reserve	16.3	22,07,29,328	22,07,29,328	22,07,29,328
(d) Retained earnings	16.4	2,61,05,71,873	2,05,61,12,915	1,72,04,74,692
		5,93,75,45,832	5,34,13,70,194	5,00,57,31,971

Notes:

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

16.1 Capital Reserve

Capital Reserve comprises of:

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Government Grant Received		15,00,000	15,00,000	15,00,000
Forfeiture of Warrants convertible to Equity Shares	16.1.1	4,17,16,680	-	-
Capital Reserve on Consolidation		1,39,47,31,051	1,39,47,31,051	1,39,47,31,051
		1,43,79,47,731	1,39,62,31,051	1,39,62,31,051

Notes to the Consolidated Financial Statements

16. Other Equity (Contd.)

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

16.2 Securities Premium Reserve

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

16.3 General Reserve

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

16.4 Retained Earnings

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

16.5 Declaration of Dividend

- (a) The amount that can be distributed by the Holding Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Holding Company. The Board of Directors of the Holding Company in its meeting held on 07th December, 2017 has declared an Interim Dividend of Re. 0.01 per equity shares (1%).
- (b) Subsequent to Balance Sheet date the Board of Directors of Holding Company has declared on 10th April 2018 an Interim Dividend of ₹0.02 per equity shares for the Financial Year 2018-19.

17. Borrowings

Amount in ₹

Particulars	Note No.	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		Non current	Current	Non current	Current	Non current	Current
A. Secured- at amortised cost							
(a) Term loans							
From banks							
-Rupee Loan	17.1 & 17.7	66,48,02,226	28,23,23,870	96,49,32,957	24,05,89,537	1,21,98,34,380	26,21,45,891
- Foreign Currency Loan	17.2	43,65,74,373	17,81,75,303	61,28,07,439	16,86,64,650	79,18,48,705	14,65,00,000
From Others	17.3	-	3,75,00,000	3,75,02,010	5,00,00,000	8,99,19,672	5,00,00,000
(b) Vehicle Loan							
From banks	17.4	5,38,62,563	3,66,17,656	8,56,71,241	3,20,49,918	11,54,01,588	2,60,83,711
From Others	17.5	64,53,504	30,96,423	33,47,941	16,80,377	25,04,971	7,29,775
		1,16,16,92,666	53,77,13,253	1,70,42,61,588	49,29,84,482	2,21,95,09,316	48,54,59,377
B. Unsecured- at amortised cost							
From Bodies Corporate	17.6	35,88,38,628		26,12,98,558		20,79,56,732	
		35,88,38,628	-	26,12,98,558	-	20,79,56,732	-
Total		1,52,05,31,294	53,77,13,253	1,96,55,60,146	49,29,84,482	2,42,74,66,048	48,54,59,377

Notes to the Consolidated Financial Statements

17. Borrowings (Contd.)

17.1 Nature of Security of Rupee Term Loan from Banks

17.1.A Rupee Term Loan of ₹94,36,58,226 taken by the Holding Company is secured primarily by 1st charge on the fixed assets of the company's Unit at Gamharia situated in Jharkhand (existing as well as that of the Proposed Project) for both present and future and secured by First charge on all fixed assets located at GT Road both present and future, by way of equitable mortgage of the immovable assets and hypothecation of plant and machineries and other movable fixed assets. Further secured by personal guarantee of the directors of the Company. Rate of interest being 0.35% to 2.25% above Base Rate.

17.1.B Rupee Term Loan of ₹34,67,870 taken by Subsidiary Company is secured by 1st hypothecation charge of all the current assets (including raw materials, work in progress, finished goods and sundry debtors) of the steel service centre. Collaterally secured by second mortgage charge on all fixed assets of the Subsidiary (including land and building, plant and machinery, both present and future) of the Steel service centre of the subsidiary situated at Bokaro, Jharkhand both present and future. This is further secured by personal guarantee of one of the directors of the Subsidiary and Corporate guarantee of the Holding Company. Rate of interest being 3.5% above Base Rate.

17.1.C Rupee Term Loan is repayable as follows:

Financial Year	Amount in ₹
2018-2019	27,95,62,756
2019-2020	29,14,25,000
2020-2021	30,54,18,000
2021-2022	7,52,70,000
Total	95,16,75,756

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

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

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

Financial Year	Amount in ₹
2018-2019	3,75,00,000

Notes to the Consolidated Financial Statements

17. Borrowings (Contd.)

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

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

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

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

- 17.6 Unsecured Loan taken by Holding Company outstanding as on 31st March 2018 carries interest @10% and is payable at unamortised cost as per the repayment schedule as follows:

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

- 17.7 Details of Default of Term Loan in respect of one of the subsidiary company as on 31st March 2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
Principal Overdue	17.7.1	15,97,376	16,25,627
Interest Overdue	17.7.2	-	2,44,466

- 17.7.1 Overdue from 31st March 2018 to 3rd April 2018.(31st March 2017- Overdue from 31st March 2017 to 3rd April 2017)

- 17.7.2 31st March 2018- ₹ Nil (31st March 2017- ₹1,24,672 overdue from 28th February 2017 & ₹1,19,794 from 31st March 2017 to 3rd April 2017 respectively)

18. Non Current Provisions

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Provision for employee benefits				
Gratuity	18.1	2,44,10,705	2,48,76,959	1,86,08,339
		2,44,10,705	2,48,76,959	1,86,08,339

Notes:

- 18.1 For other disclosures, refer Note 39

Notes to the Consolidated Financial Statements

19. Deferred Tax Liabilities(Net)

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

Amount in ₹

2017-18	Opening Balance	Recognised In profit or Loss	Recognised In Other Comprehensive Income	Other Adjustments (Refer Note 19.3)	Closing Balance
Deferred tax liabilities/(assets) in relation to:					
Deferred Tax Assets					
Defined benefit obligation	34,26,398	(17,637)	17,27,387		17,16,649
Brought Forward Unabsorbed Depreciation	99,19,282	20,80,468			78,38,814
Mat Credit entitlement	27,87,86,551	-	-		27,87,86,551
Total Deferred Tax Assets	29,21,32,231	20,62,831	17,27,387		28,83,42,014
Deferred Tax Liabilities					
Property, plant and equipment	71,38,58,996	(40,94,190)	-		70,97,64,806
Lease Rentals	71,85,911	5,20,358			77,06,269
Others	16,87,851	(8,169)		(16,78,440)	1,242
Total Deferred Tax Liabilities	72,27,32,758	(35,82,001)	-	(16,78,440)	71,74,72,318
NET DEFERRED TAX (ASSETS)/ LIABILITIES	43,06,00,527	(15,19,170)	17,27,387	(16,78,440)	42,91,30,304

Disclosed as:

Deferred Tax Assets	45,88,355	41,43,643
Deferred Tax Liabilities	43,51,88,882	43,32,73,947
NET DEFERRED TAX (ASSETS)/ LIABILITIES	43,06,00,527	42,91,30,304

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

Amount in ₹

2016-17	Opening Balance	Recognised In profit or Loss	Recognised In Other Comprehensive Income	Closing Balance
Deferred tax liabilities/(assets) in relation to:				
Deferred Tax Assets				
Defined benefit obligation	26,57,162	(38,348)	(7,30,888)	34,26,398
Brought Forward Unabsorbed Depreciation*	93,77,335	(5,41,947)		99,19,282
Impairment Allowances of Trade Receivables	11,11,719	11,11,719		-
Mat Credit entitlement	21,82,90,019	(6,04,96,532)		27,87,86,551
Total Deferred Tax Assets	23,14,36,235	(5,99,65,108)	(7,30,888)	29,21,32,231
Deferred Tax Liabilities				
Property, plant and equipment	65,15,76,740	6,22,82,256		71,38,58,996
Lease Rentals	65,69,686	6,16,225		71,85,911
Others	16,05,445	82,406		16,87,851
Total Deferred Tax Liabilities	65,97,51,871	6,29,80,887	-	72,27,32,758
NET DEFERRED TAX (ASSETS)/ LIABILITIES	42,83,15,636	30,15,779	(7,30,888)	43,06,00,527

Disclosed as:

Deferred Tax Assets	26,03,896	45,88,355
Deferred Tax Liabilities	43,09,19,532	43,51,88,882
NET DEFERRED TAX (ASSETS)/ LIABILITIES	42,83,15,636	43,06,00,527

*Based on receipt of assessment order during the year

19.1 Deferred tax Asset on account of timing differences with respect to depreciation has been considered and recognised in the accounts in respect of one of the Subsidiary Company. As a matter of prudence, the amount of unabsorbed business losses of the subsidiary has been ignored in 2016-17

19.2 In respect of one of the Subsidiary Company

Unrecognised unused tax losses of subsidiary- business loss	62,40,522
Year when the unrecognised unused tax losses will expire	2023-24

Notes to the Consolidated Financial Statements

19. Deferred Tax Liabilities(Net) (Contd.)

19.3 During the year, investment in subsidiary company, Bansal Nepal Private Limited has been classified as held for sale (Refer Note. No. 14.1). The same has resulted in reversal of deferred tax liability of that company.

19.4 Deferred tax assets and liabilities have been adjusted when these pertain to the same legal entity and thereby net deferred tax assets/liabilities have been disclosed as follows:

Particulars	Amount in ₹		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Consolidated Net Deferred Tax Liabilities	43,32,73,947	43,51,88,882	43,09,19,532
Consolidated Net Deferred Tax Assets	(41,43,643)	(45,88,355)	(26,03,896)
Consolidated Net Deferred Tax Liabilities/(Assets)	42,91,30,304	43,06,00,527	42,83,15,636

20. Other Non Current Liabilities

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

21. Current Liabilities- Borrowings

Particulars	Note No.	Amount in ₹		
		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured				
Repayable on Demand				
Cash credit/Working capital facilities from banks	21.1	2,22,41,66,072	2,27,10,83,779	2,38,55,22,860
Unsecured				
Repayable on Demand				
Loan from Bodies Corporate - Interest Free		8,00,000	8,00,000	8,00,000

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

22. Current Liabilities- Trade payables

Particulars	Note No.	Amount in ₹		
		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Payables for goods and services				
- Due to Micro, Small and Medium Enterprise		-	-	-
- Due to Others		64,13,76,723	27,00,29,406	29,27,94,656
		64,13,76,723	27,00,29,406	29,27,94,656

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

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

Notes to the Consolidated Financial Statements

23. Current Liabilities- Other financial liabilities

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Current maturities of long-term debts		53,77,13,252	49,29,84,482	48,54,59,377
(b) Unpaid dividend	23.1	8,27,540	-	-
(c) Other Current Liabilities		7,47,75,347	10,15,64,699	7,56,18,106
(d) Interest Accrued and Due on Long Term Borrowings		-	2,44,466	1,52,309
		61,33,16,139	59,47,93,647	56,12,29,792

Note

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

24. Other Current liabilities

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Advances received from customers		20,72,165	3,75,67,729	5,19,16,438
(b) Statutory Dues (GST, service tax, sales tax, TDS etc.)		66,51,916	12,23,768	6,59,645
(c) Deferred gain on fair valuation of financial instruments		4,13,07,512	4,13,07,512	4,13,07,512
(d) Deferred revenue arising from Government Grants		34,28,303	34,28,303	34,28,303
(e) Application money against share warrants	16.1.1	-	4,17,16,680	4,17,16,680
		5,34,59,896	12,52,43,992	13,90,28,578

25. Current liabilities- Provisions

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Provision for employee benefits				
Gratuity	25.1	20,31,254	25,05,346	27,33,016
(b) Provision for income tax (Net of advance tax)		4,59,00,806	-	-
		4,79,32,060	25,05,346	27,33,016

25.1 For other disclosures, refer Note 39

26. Revenue from Operations

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Sale of Goods			
Sale of Product		5,35,28,17,567	4,15,22,14,697
Sale of Traded Goods		-	16,35,098
(b) Sale of Services			
Conversion income		3,84,68,04,388	3,28,34,47,238
(c) Other Operating Revenue			
Transportation Charges Recovered		28,33,09,529	35,69,95,142
		9,48,29,31,484	7,79,42,92,175

Notes

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

Notes to the Consolidated Financial Statements

27. Other Income

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Interest on deposits		86,60,975	61,14,616
(b) Amortisation of Financial Instrument		4,13,82,682	4,13,75,848
(c) Government Grant		34,28,303	34,28,303
(d) Profit on sale of Property, Plant and Equipment		5,52,04,411	-
(e) Liabilities no longer required written back		3,01,40,189	-
(f) Impairment Allowances for Doubtful Debts written back		-	35,97,794
(g) Insurance Claim Received		-	4,04,164
(h) Miscellaneous Income		1,81,76,706	1,15,89,273
		15,69,93,266	6,65,09,998

28. Cost of Materials Consumed

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Raw Materials Consumed		5,50,00,89,394	4,64,62,15,119
		5,50,00,89,394	4,64,62,15,119

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

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Stock at the end of the year			
Finished Goods		67,26,18,467	49,16,29,685
Work in Progress		8,27,290	5,26,798
Stock in Trade		-	-
Scrap		-	1,34,616
		67,34,45,757	49,22,91,099
Stock at the beginning of the year			
Finished Goods		49,16,29,685	47,15,73,580
Work in Progress		5,26,798	4,04,041
Stock in Trade		-	18,84,562
Scrap		1,34,616	34,84,545
		49,22,91,099	47,73,46,728
(Increase)/ Decrease in Inventories of Finished goods, Stock-in - Trade and Work-in-Progress		(18,11,54,658)	(1,49,44,371)

30. Employee benefits expense

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Salaries and wages		17,83,30,197	14,27,76,951
(b) Contribution to provident fund	39	1,60,63,227	1,31,65,299
(c) Staff welfare expenses		4,90,76,717	3,54,34,427
		24,34,70,141	19,13,76,677

Notes to the Consolidated Financial Statements

31. Finance Costs

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Interest Expense		43,39,90,685	38,97,14,205
(b) Other Borrowing Costs		3,33,82,287	3,16,47,951
		46,73,72,972	42,13,62,156

32. Other Expenses

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Consumption of stores and spares		30,74,03,346	37,65,56,716
(b) Power and Fuel		53,44,97,983	31,31,57,263
(c) Rent	36	2,52,19,425	2,28,74,464
(d) Repairs to			
Plant and machinery		1,68,56,146	25,63,427
Buildings		15,54,631	46,126
Others		3,15,74,050	70,28,634
(e) Insurance		56,70,750	54,91,577
(f) Amortization of Leasehold Prepayment		5,41,309	5,41,309
(g) Rates and Taxes	32.2	15,94,55,231	1,28,20,452
(h) Transportation Charges Paid		21,64,31,268	20,83,63,523
(i) Directors' Remuneration		3,64,46,000	3,24,39,000
(j) Carriage inward		5,09,62,877	5,30,75,980
(k) Excise duty paid and on stock		3,14,49,823	26,76,67,453
(l) Bank Charge		2,77,01,267	1,84,42,276
(m) Travelling and conveyance		2,06,94,690	1,62,45,929
(n) Legal and professional fees		1,21,06,032	2,60,68,111
(o) Security Charges		56,39,046	64,02,294
(p) Exchange Gain/Loss		33,77,744	(91,696)
(q) Telephone and communication		20,25,892	24,12,628
(r) Hire Charges		42,50,330	59,31,758
(s) Advertising and sales promotion		48,90,830	39,93,695
(t) Payment to Auditor	32.1	18,50,000	13,04,825
(u) Loss on Investments in Subsidiary - Held for sale	14.1	12,71,730	-
(v) Interest and Penalty		59,863	4,04,054
(w) Miscellaneous expenses	32.3	18,82,40,534	10,97,31,066
		1,69,01,70,797	1,49,34,70,864

32.1 Payment to Auditor includes:

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Audit Fees		11,40,000	10,64,625
(b) Tax Audit Fees		20,000	95,000
(c) Certifications etc.		6,90,000	70,000
(d) Reimbursement of expenses		-	75,200
	32.1.1	18,50,000	13,04,825

Notes to the Consolidated Financial Statements

32. Other Expenses (Contd.)

32.1.1 Includes Payment to Previous Auditor :

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Audit Fees		-	9,25,000
(b) Tax Audit Fees		-	75,000
(c) Certifications etc.		-	70,000
(d) Reimbursement of expenses		-	75,200
		-	11,45,200

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

32.3 Miscellaneous expenses include ₹7,65,387 (Previous Year ₹12,40,994) being Sundry Balances not recoverable and written off.

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

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Contract Revenue Recognition for the year		22,83,165	58,19,537
Total costs incurred and recognised profits for contracts in progress at the reporting date		14,44,867	51,53,070
Advance Received		-	-
Amount of Retention for contracts in progress at reporting date		-	-
Gross Amount due from customers for contract work		-	-

33. Tax Expense

Amount in ₹

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Tax Expense	33.1	20,57,62,718	9,32,94,281
		20,57,62,718	9,32,94,281

33.1 Components of Tax Expense

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Current tax	20,72,81,888	9,02,78,502
Deferred tax -Charge/ (Credit)	(15,19,170)	30,15,779
Total tax expense recognised in the current year	20,57,62,718	9,32,94,281

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

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

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Profit before tax	72,00,49,022	42,91,89,045
Income tax expense calculated at applicable corporate rates at 34.608%	24,91,94,565	14,85,33,745
Add: Effect of Expenses that are not deductible in determining taxable profit		
Expenses not allowed for tax purpose	1,80,086	2,26,18,836
Depreciation provided in the books of Account	18,64,299	

Notes to the Consolidated Financial Statements

33. Tax Expense (Contd.)

Certain expenses to be allowed on payment basis	28,84,665	19,11,715
Effect of tax expenses in subsidiary companies in the absence of taxable profits	-	17,52,094
Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit		
Depreciation as per Income tax Act, 1961	2,27,40,829	3,47,00,816
Effect of other adjustments	2,33,21,010	4,68,21,293
Set off of profit from brought forward unabsorbed business losses	20,61,284	-
Set off of profit from brought forward unabsorbed depreciation	1,60,054	-
Effect of lower tax rate in Subsidiary	77,720	-
Income Tax recognised in profit and loss	20,57,62,718	9,32,94,281

The tax rate used for reconciliations above is 30%/25% as applicable for corporate entities on taxable profits under the Indian tax laws.

33.3 Income Tax recognised in Other Comprehensive Income

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Deferred tax (charge)/ Credit on		
Remeasurement of defined benefit obligation	(17,27,387)	7,30,888
Total income tax recognised other comprehensive income	(17,27,387)	7,30,888
Bifurcation of the income tax recognized in Other comprehensive income into :		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	(17,27,387)	7,30,888

33.4 Components of Other Comprehensive Income

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Items that will not be reclassified to profit or (loss)		
Remeasurement of defined benefit obligation(Net of Tax)	32,34,386	(13,99,835)
	32,34,386	(13,99,835)

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

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A. Contingent Liabilities			
Claims against the Company not acknowledged as Debt			
i. Counter guarantee issued by company to bank,in respect of bank guarantee issued	54,19,36,897	57,14,63,632	43,54,16,200
iii. Income tax demands under appeal	2,18,22,190	1,63,54,600	2,11,93,530

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

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

Notes to the Consolidated Financial Statements

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

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

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

36 Operating lease disclosures

The Group has certain operating lease arrangements for factory land with tenure extending upto 30 years. Terms of such lease arrangement include escalation clause for rent whereby the rent for the aforementioned lease is liable to be doubled after 4 years and thereafter may be revised after every ten/twenty years in accordance with the rules framed by the Government of Jharkhand or the lessor. Expenditure incurred on account of rent during the year and recognized in the Statement of Profit and Loss amounts to ₹21,24,094 (P.Y.- ₹21,24,094)

37. Earnings Per Share

	Amount in ₹	
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Profit/(Loss) after Tax for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss (₹)	51,30,59,395	33,69,99,499
(b) Number of Equity Shares (Nos):		
(i) Weighted average number of equity shares outstanding during the period	22,50,86,460	22,50,86,460
(ii) Dilutive Potential Equity shares	Nil	Nil
Nominal value per equity share (Re.)	1	1
(c) Earnings per share of Equity share of Re.1 each (in ₹) - Basic (a/b(i))	2.28	1.50
(d) Earnings per share of Equity share of Re.1 each (in ₹) - Diluted (a/b(ii))	2.28	1.50

38. Segment Reporting

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

(ii) Geographical Segment

	Amount in ₹	
Particulars	2017-18	2016-17
Revenue by Geographical market		
Sale of Products and Services		
- Domestic	9,38,97,59,663	7,72,66,25,667
- Export	9,31,71,821	6,76,66,508
Total	9,48,29,31,484	7,79,42,92,175
Assets		
Trade Receivable		
- Within India	2,15,41,76,321	1,83,05,77,682
- Outside India	-	-
Total	2,15,41,76,321	1,83,05,77,682

(iii) Information about Major Customer

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

Notes to the Consolidated Financial Statements

39. Employee Benefits

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

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

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

i) Defined Contribution Scheme

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

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Employer's Contribution to Provident Fund	76,78,509	65,45,517
Employer's Contribution to Employee State Insurance	29,49,769	13,80,008

ii) Defined Benefit Scheme

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

Amount in ₹

For Gratuity (Unfunded)	2017-18	2016-17	2015-16
A. Change in fair value of Defined Benefit Obligation :			
Present Value of Defined Benefit Obligations as at the beginning of the year	2,73,82,305	2,09,24,515	1,49,74,200
Current Service Cost	32,91,033	33,87,965	28,22,469
Past Service Cost	1,03,234		
Interest Cost	20,53,522	15,46,559	11,84,639
Benefit Paid	14,26,362	6,07,457	3,32,434
Actuarial (Gain) / Losses	(49,61,773)	21,30,723	22,75,641
Present Value of Defined Benefit Obligations as at the end of the year	2,64,41,959	2,73,82,305	2,09,24,515
B. Change in Fair Value of plan Assets :			
Fair value of Plan Assets at the beginning of the year	-	-	-
Expected Return on Plan assets	-	-	-
Contributions by the Employers	-	-	-
Benefit paid	-	-	-
Actuarial Gains/(Losses)	-	-	-
Fair value of plan Assets at the end of the year	-	-	-
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:			
Present Value of Defined Benefit Obligations as at the end of the year	2,64,41,959	2,73,82,305	2,09,24,515
Fair value of Plan Assets at the end of the year	-	-	-
Liability /(Assets) recognized in the Balance Sheet	2,64,41,959	2,73,82,305	2,09,24,515
D. Components of Defined Benefit Cost			
Current Service Cost	32,91,033	33,87,965	28,22,469
Past Service Cost	1,03,234	-	-
Interest Cost	20,53,522	15,46,559	11,84,639
Expected Return on Plan Assets	-	-	-
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	(49,61,773)	21,30,723	22,75,641
Total Defined Benefit Cost recognized in the Statement of Profit and Loss and OCI	4,86,016	70,65,247	62,82,749

Notes to the Consolidated Financial Statements

39. Employee Benefits (Contd.)

Amount in ₹			
For Gratuity (Unfunded)	2017-18	2016-17	2015-16
E. Principal Actuarial Assumptions used			
Discounted Rate (per annum) Compound	7.70%	7.50%	8.00%
Salary Inflation Rate	6.00%	6.00%	6.00%
Mortality Rate	IALM 2006-2008 ULTIMATE		
Attrition Rate	1.00%	1.00%	1.00%
Retirement age	60 years		
Expected Rate of return on Plan Assets	NA	NA	NA

Amount in ₹					
Experience History	2017-18	2016-17	2015-16	2014-15	2013-14
F. Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)					
Present Value of Defined Benefit Obligations	2,64,41,959	2,73,82,305	2,09,24,515	1,49,74,200	-
Fair value of Plan Assets	-	-	-	-	-
Status [Surplus/(Deficit)]	2,64,41,959	2,73,82,305	2,09,24,515	1,49,74,200	-
Experience Adjustment on Plan Assets [Gain/(Loss)]					
Experience Adjustment on Obligation [Gain/(Loss)]					

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

Amount in ₹					
G. Sensitivity analysis					
Particulars	31.03.2018		31.03.2017		
	Increase	Decrease	Increase	Decrease	
Discount Rate (-/+ 0.5%)	2,47,25,776	2,83,35,820	2,55,87,094	2,93,67,888	
%Change Compared to base due to sensitivity	-6.490%	7.162%	-6.556%	7.251%	
Salary Growth (-/+ 0.5%)	2,83,47,279	2,47,01,692	2,93,43,234	2,55,77,287	
%Change Compared to base due to sensitivity	7.206%	-6.581%	7.161%	-6.592%	
Attrition Rate (-/+ 0.5%)	2,64,41,347	2,64,42,571	2,73,75,206	2,73,89,404	
%Change Compared to base due to sensitivity	-0.002%	0.002%	-0.026%	0.026%	
Mortality Rate (-/+ 10%)	2,64,58,465	2,64,25,453	2,73,97,202	2,73,67,408	
%Change Compared to base due to sensitivity	0.062%	-0.062%	0.054%	-0.054%	

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

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

Particulars	Gratuity (₹)
01 Apr 2017 to 31 Mar 2018	21,08,007
01 Apr 2018 to 31 Mar 2019	7,82,165
01 Apr 2019 to 31 Mar 2020	5,43,028
01 Apr 2020 to 31 Mar 2021	8,77,976
01 Apr 2021 to 31 Mar 2022	7,64,181
01 Apr 2022 Onwards	9,40,61,455

Amount in ₹		
Particulars	As at 31st March 2018	As at 31st March 2017
Average no of people employed	660	742

Notes to the Consolidated Financial Statements

40. Related Party Transactions

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

A.

Name of related parties and related party relationship:	
Subsidiary Companies	SAIL Bansal Service Centre Limited
	Confident Financial Consultancy Private Limited
	Perfect Investment Consultancy Private Limited
	Sidhant Investment Advisory Private Limited
	Siddhi Vinayak Commosales Private Limited
	Shri Hari Vincom Private Limited
	Narayan Dealcom Private Limited
	Fairplan Vintrade Private Limited
	Nageshwar Tradelink Private Limited
	Bansal Nepal Private Limited (Refer Note No. 14.1) (upto 4th April 2017)
Key Managerial Personnel	Ram Gopal Bansal
	Harsh Kumar Bansal
	Vivek Kumar Bansal
Enterprises over which Key Managerial Personnel has significant influence	JIT Transport Organisation
	Encash Commercial Private Limited
	Bansal Nepal Private Limited (Refer Note No. 14.1) (w.e.f. 5th April 2017)
	Pioneer Goods Private Limited
	Jayamala Commercial Private Limited
Joint venture of SAIL Bansal Service Centre Limited	Steel Authority of India Limited

B) Details of Related party transaction after elimination

B.1) Transaction with subsidiaries

Intergroup related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statements of the Group. Hence the same has not been disclosed in the group related party transactions.

B.2) Nature of Transaction with the related parties referred to in serial no. (A) above

Nature Of Transactions	Note No.	Amount in ₹	
		For the year ended 31.03.2018	For the year ended 31.03.2017
i. Sales			
Sail Bansal Service Centre Ltd		2,12,89,069	1,57,23,185
ii. Rent Paid			
Ramgopal Bansal		15,00,000	15,00,000
iii. Remuneration			
Ramgopal Bansal		1,56,00,000	1,56,00,000
Harsh Bansal		1,02,00,000	84,00,000
Vivek Bansal		1,02,00,000	84,00,000
v. Rent Received			
JIT Transport Organisation		25,20,000	-

Notes to the Consolidated Financial Statements

40. Related Party Transactions (Contd.)

B.3) Balances of Related parties is as follows:

Amount in ₹

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
i. Outstanding Balances (Receivables)				
Bansal Nepal Private Limited - Interest free		2,21,10,731		
Steel Authority of India Limited	40.B.3.1	35,74,328	25,89,871	1,82,51,608
JIT Transport Organisation		35,15,400	-	-
ii. Outstanding Balances (Payable)				
Encash Commercial Private Limited		-	20,00,000	20,00,000
Pioneer Goods Private Limited		-	50,00,000	50,00,000
Jayamala Commercial Private Limited		-	1,50,000	1,50,000

B.4) The remuneration of directors and other members of key management personnel during the year as follows:

Amount in ₹

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

40.B.3.1 In respect of above parties there is a provision of ₹ NIL (31st March 2017 NIL , April 1 2016 - 35,97,794) as on 31st March 2018 and no amount has been written off or written back during the year in respect of debts due from/to them

C) The above related party information is as identified by the Management and relied upon by the auditors.

41. Financial Instruments

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

Amount in ₹

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets measured at Amortised Cost						
Trade Receivables	2,15,41,76,321	2,15,41,76,321	1,79,98,12,343	1,79,98,12,343	1,79,76,94,425	1,79,76,94,425
Cash and cash equivalents	85,43,310	85,43,310	1,91,49,466	1,91,49,466	1,38,26,826	1,38,26,826
Other Bank Balances	9,61,41,076	9,61,41,076	6,74,32,361	6,74,32,361	5,89,92,336	5,89,92,336
Loans	58,87,01,549	58,87,01,549	59,20,17,271	59,20,17,271	57,61,84,136	57,61,84,136
Other Financial Assets	4,17,32,966	4,17,32,966	5,40,09,145	5,40,09,145	6,63,02,022	6,63,02,022
Financial Liabilities (Current and Non-Current)						
Financial Liabilities measured at Amortised Cost						
Borrowings	4,28,32,10,618	4,28,32,10,618	4,73,04,28,407	4,73,04,28,407	5,29,92,48,285	5,29,92,48,285
Trade Payables	64,13,76,723	64,13,76,723	27,00,29,406	27,00,29,406	29,27,94,656	29,27,94,656
Other Financial Liabilities	7,56,02,887	7,56,02,887	10,18,09,165	10,18,09,165	7,57,70,415	7,57,70,415

Fair Valuation Techniques

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

Notes to the Consolidated Financial Statements

41. Financial Instruments (Contd.)

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

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

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

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

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

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

FINANCIAL RISK FACTORS

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

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

MARKET RISK

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

Interest Rate Risk

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

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

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

Nature of Borrowing	Increase in basis points	Amount in ₹	
		For the year ended 31st March 2018	For the year ended 31st March 2017
Rupee Loan	+0.50	1,80,83,150	1,53,50,194
Foreign Currency Loan	+0.50	20,79,369	22,96,779

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's Consolidated Financial Statements

Foreign Currency Risk

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

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

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

Notes to the Consolidated Financial Statements

41. Financial Instruments (Contd.)

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Borrowings	Borrowings	Borrowings
USD	61,47,49,676	78,14,72,089	93,83,48,705

Amount in ₹

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	Payables (Weaking of INR by 5%)	
USD	(3,07,37,484)	(3,90,73,604)

Figures in bracket represent Loss.

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

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

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

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

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

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

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

LIQUIDITY RISK

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

Liquidity and interest risk tables

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

Interest rate and currency of borrowings

Notes to the Consolidated Financial Statements

41. Financial Instruments (Contd.)

As at Mar 31, 2018

Amount in ₹

Particulars	Total Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings	Interest free borrowings	Weighted average interest rate (%)
Borrowings in INR	3,98,64,32,711	10,00,30,146	3,21,33,41,828	67,30,60,737	9.74%
Borrowings in Foreign Currency (USD)	61,47,49,676	-	61,47,49,676	-	7.41%

As at Mar 31, 2017

Amount in ₹

Particulars	Total Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings	Interest free borrowings	Weighted average interest rate (%)
Borrowings in INR	4,30,34,34,838	12,27,49,477	3,57,25,43,000	60,81,42,361	7.89%
Borrowings in Foreign Currency (USD)	78,14,72,089	-	78,14,72,089	-	6.44%

Maturity Analysis of unamortised Financial Liabilities

As at 31st March 2018

Amount in ₹

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	4,60,03,82,387	2,22,57,63,448	27,55,45,228	26,05,75,153	1,83,84,98,558	4,60,03,82,387
Non interest bearing borrowings	8,00,000	8,00,000				8,00,000
Trade payables	64,13,76,723	-	64,13,76,723	-	-	64,13,76,723
Other Liabilities	7,56,02,886	8,27,540	7,47,75,346			7,56,02,886

As at 31st March 2017

Amount in ₹

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	5,08,41,06,927	2,22,41,66,072	24,42,13,286	24,87,98,198	2,32,00,11,664	5,03,71,89,220
Non interest bearing borrowings	8,00,000	8,00,000				8,00,000
Trade payables	27,00,29,406	-	27,00,29,406	-	-	27,00,29,406
Other Liabilities	10,18,09,165	-	10,18,09,165	-	-	10,18,09,165

As at April 01, 2016

Amount in ₹

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	5,68,75,78,641	2,38,55,22,860	25,33,17,987	23,21,92,313	2,81,65,45,481	5,68,75,78,641
Non interest bearing borrowings	8,00,000	8,00,000				8,00,000
Trade payables	29,27,94,656	-	29,27,94,656	-	-	29,27,94,656
Other Liabilities	7,69,43,477	-	7,69,43,477	-	-	7,69,43,477

The Group has current financial assets which will be realised in ordinary course of business. The Group ensures that it has sufficient cash on demand to meet expected operational expenses.

The Group relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

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

Notes to the Consolidated Financial Statements

41. Financial Instruments (Contd.)

The gearing ratio is as follows:

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Borrowings	4,28,32,10,618	4,73,04,28,407	5,29,92,48,285
Less : Cash and Cash Equivalents	85,43,310	1,91,49,466	1,38,26,826
Net Debt	4,27,46,67,308	4,71,12,78,941	5,28,54,21,459
Equity	22,50,86,460	22,50,86,460	22,50,86,460
Equity and Net Debt	4,49,97,53,768	4,93,63,65,401	5,51,05,07,919
Gearing Ratio	0.95	0.95	0.96

42.

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

Amount in ₹

Particulars	Refer Note. 42.7	Previous GAAP Balance Sheet as at 1st April 2016	Effect of transition to Ind AS	IND AS Balance Sheet As at 1st April 2016	Previous GAAP Balance Sheet as at 31st March 2017	Effect of transition to Ind AS	IND AS Balance Sheet As at 31st March 2017
ASSETS							
Non-current Assets							
(a) Property, Plant And Equipment	(i) & (iiia1)	5,63,45,11,675	(7,69,50,973)	5,55,75,60,702	5,56,37,86,365	(9,52,91,512)	5,46,84,94,853
(b) Capital Work-in-progress		24,22,46,646	-	24,22,46,646	35,23,52,870	-	35,23,52,870
(c) Other Intangible assets		19,38,729	-	19,38,729	12,92,486	-	12,92,486
(d) Financial Assets							
i) Investments		86,84,89,620	-	86,84,89,620	85,24,58,620	-	85,24,58,620
ii) Other Financial Assets	(ii), (vi)	2,04,48,308	3,16,83,361	5,21,31,669	1,88,64,818	2,27,51,697	4,16,16,515
(e) Deferred Tax Assets(Net)		26,29,367	(25,471)	26,03,896	45,98,994	(10,639)	45,88,355
(f) Other Non current assets	(i) & (ii)	15,51,41,717	2,25,04,532	17,76,46,249	15,54,68,185	3,74,00,434	19,28,68,619
		6,92,54,06,062	(2,27,88,551)	6,90,26,17,511	6,94,88,22,338	(3,51,50,020)	6,91,36,72,318
Current Assets							
(a) Inventories		1,80,03,48,347	-	1,80,03,48,347	1,79,98,12,343	-	1,79,98,12,343
(b) Financial Assets							
(i) Trade receivables		1,79,76,94,425	-	1,79,76,94,425	1,83,05,77,682	-	1,83,05,77,682
(ii) Cash and cash equivalents		1,38,26,826	-	1,38,26,826	1,91,49,466	-	1,91,49,466
(iii) Other Bank balances		5,89,92,336	-	5,89,92,336	6,74,32,361	-	6,74,32,361
(iv) Loans		57,61,84,136	-	57,61,84,136	59,20,17,271	-	59,20,17,271
(v) Others	(vi)	51,70,353	90,00,000	1,41,70,353	33,92,630	90,00,000	1,23,92,630
(c) Other current assets	(i) & (ii), (v)	90,23,91,433	(21,59,17,837)	68,64,73,596	61,12,85,770	(27,52,93,861)	33,59,91,909
		5,15,46,07,856	(20,69,17,837)	4,94,76,90,019	4,92,36,67,523	(26,62,93,861)	4,65,73,73,662
Total Assets		12,08,00,13,918	(22,97,06,388)	11,85,03,07,530	11,87,24,89,861	(30,14,43,881)	11,57,10,45,980
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		22,50,86,460	-	22,50,86,460	22,50,86,460	-	22,50,86,460
(b) Other Equity	42.3	5,35,81,99,972	(35,24,68,001)	5,00,57,31,971	5,72,21,22,001	(38,07,51,807)	5,34,13,70,194
Minority Interest		64,78,558	22,784	65,01,342	53,49,701	8,347	53,58,048
		5,58,97,64,990	(35,24,45,217)	5,23,73,19,773	5,95,25,58,162	(38,07,43,460)	5,57,18,14,702
Non-current Liabilities							
(a) Financial Liabilities							
i) Borrowing	(iiiia1), (iiiia2), (iiib)	2,81,65,45,481	(38,90,79,433)	2,42,74,66,048	2,32,00,11,665	(35,44,51,519)	1,96,55,60,146
(b) Provisions		1,86,08,339	-	1,86,08,339	2,48,76,959	-	2,48,76,959
(c) Deferred Tax Liabilities	(v)	31,76,71,100	11,32,48,432	43,09,19,532	35,52,95,720	7,98,93,162	43,51,88,882
(d) Other Non Current Liabilities	(iiib), (vi)	-	35,38,84,936	35,38,84,936	-	30,91,49,121	30,91,49,121
		3,15,28,24,920	7,80,53,935	3,23,08,78,855	2,70,01,84,344	3,45,90,764	2,73,47,75,108

Notes to the Consolidated Financial Statements

42. (Contd.)

Amount in ₹

Particulars	Refer Note. 42.7	Previous GAAP Balance Sheet as at 1st April 2016	Effect of transition to Ind AS	IND AS Balance Sheet As at 1st April 2016	Previous GAAP Balance Sheet as at 31st March 2017	Effect of transition to Ind AS	IND AS Balance Sheet As at 31st March 2017
Current liabilities							
(a) Financial Liabilities							
i) Borrowings		2,38,63,22,860	-	2,38,63,22,860	2,27,18,83,779	-	2,27,18,83,779
ii) Trade Payables		29,27,94,656	-	29,27,94,656	27,00,29,406	-	27,00,29,406
iii) Other Financial Liabilities		56,12,80,714	(50,922)	56,12,29,792	59,48,23,644	(29,997)	59,47,93,647
(b) Other current liabilities	(iii b), (vi)	9,42,92,763	4,47,35,815	13,90,28,578	8,05,05,180	4,47,38,812	12,52,43,992
(c) Provisions		27,33,016	-	27,33,016	25,05,346	-	25,05,346
		3,33,74,24,009	4,46,84,893	3,38,21,08,902	3,21,97,47,355	4,47,08,815	3,26,44,56,170
Total Equity and Liabilities		12,08,00,13,918	(22,97,06,389)	11,85,03,07,530	11,87,24,89,861	(30,14,43,881)	11,57,10,45,980

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

Amount in ₹

Particulars	Note No.	Previous GAAP Statement of Profit or Loss for the year ended 31st March 2017	Effect of transition to IND AS	IND AS Statement of Profit or Loss for the year ended 31st March 2017
Revenue				
I. Revenue from Operations		7,79,42,92,175	-	7,79,42,92,175
II. Other Income	(ii), (iii b) & (vi)	2,17,05,847	4,48,04,151	6,65,09,998
III. Total Income (I+II)		7,81,59,98,022	4,48,04,151	7,86,08,02,173
Expenses				
Cost of Materials Consumed		4,64,62,15,119	-	4,64,62,15,119
Purchase of Stock-in-Trade		25,32,45,321	-	25,32,45,321
(Increase)/ Decrease in stock of finished goods, stock in trade, work-in-progress		(1,49,44,371)	-	(1,49,44,371)
Employee Benefits Expenses	(iv)	19,35,07,400	(21,30,723)	19,13,76,677
Finance costs	(iii a1), (iii a2) & (iii b)	38,67,10,320	3,46,51,836	42,13,62,156
Depreciation and amortisation expense	(iii a1)	44,27,16,002	(18,28,640)	44,08,87,362
Other Expenses	(i) & (ii)	1,48,93,18,097	41,52,767	1,49,34,70,864
IV. Total Expenses		7,39,67,67,888	3,48,45,240	7,43,16,13,128
V. Profit/(loss) before tax (III-IV)		41,92,30,134	99,58,911	42,91,89,045
VI. Tax expense:				
(1) Current tax	(v)	2,97,81,970	6,04,96,532	9,02,78,502
(2) Deferred tax	(v)	3,56,54,993	(3,26,39,214)	30,15,779
Tax expense		6,54,36,963	2,78,57,318	9,32,94,281
VII. Profit/(Loss) for the year after Tax (V-VI)		35,37,93,171	(1,78,98,407)	33,58,94,764
VIII. Other Comprehensive Income				
Items that will not be reclassified to Profit or Loss				
Re-measurement gains/ (losses) on defined benefit plans	(iv)	-	(21,30,723)	(21,30,723)
Income tax relating to items that will not be reclassified to Profit or Loss		-	7,30,888	7,30,888
Other Comprehensive Income for the year after tax		-	(13,99,835)	(13,99,835)
IX. Total Comprehensive Income for the year (VII+VIII)		35,37,93,171	(1,92,98,242)	33,44,94,929

Notes to the Consolidated Financial Statements

42. (Contd.)

42.3 Reconciliation of Total Equity as given below:

Amount in ₹

Particulars	Notes No.	As at 31st March 2017	As at 1st April 2016
Total Equity (Shareholders' Funds) under previous GAAP		5,95,25,58,162	5,58,97,64,990
IND AS Adjustment			
Effect of adjustment of Processing Fees for Property, Plant & Equipments		(89,81,513)	(53,24,016)
Effect of Fair Valuation of Financial Instruments		3,11,52,838	1,95,90,191
Effect of de recognition of Lease Rentals		(4,01,49,489)	(3,66,95,148)
Effect of recognition of Government Grant receivable under capital promotion incentive scheme		(41,06,450)	14,65,247
Adjustment of Deferred Tax Liability created due to IND AS impact and reversal of the same during the year		(10,639)	(25,471)
Effect of Finance Cost as per Effective Interest Rate Method		31,506	82,430
Recognition of deferred tax on asset base of Property, Plant & Equipment and others		(35,86,79,713)	(33,15,38,450)
Total Equity as per IND AS		5,57,18,14,702	5,23,73,19,773

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

Amount in ₹

Particulars	Notes No.	For the year ended 31st March 2017
1. Net Profit under previous GAAP		35,37,93,171
Adjustments		
Increase in other income as per Effective Interest Method		68,336
Increase in Finance Costs as per Effective Interest Method		(3,46,51,836)
Effect of present value of financial instruments		4,47,35,815
Effect of de-recognition of lease rentals		(23,24,126)
Gain on adjustment for gratuity amount recognized in other comprehensive income		21,30,722
Recognition of deferred tax on asset base of Property, Plant & Equipment and others		(2,78,57,318)
2. Total Effect on Conversion to Ind AS		(1,78,98,407)
3. Net profit for the period under Ind AS (1+2)		33,58,94,764
4. Other Comprehensive Income for the period (net of tax)	33.4	(13,99,835)
5. Total Comprehensive Income under Ind AS (3+4)		33,44,94,929

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

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

42.6 FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

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

i) Overall principle:

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

Notes to the Consolidated Financial Statements

42. (Contd.)

- b) However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below:
- ii) **Deemed cost for Property, Plant and Equipment and Intangible assets:**
The Group has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.
- iii) **Impairment of financial assets**
Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Group, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.
- iv) **Determining whether an arrangement contains a lease**
The Group as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.
- v) **Derecognition of financial assets and financial liabilities**
The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April 2016 (the transition date).

42.7 Explanatory Notes to reconciliation between Previous GAAP and Ind AS

(i) Accounting of Leasehold Land

- (a) Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments. Consequently, as on the transition date 1st April 2016 carrying amount of the leasehold land amounting to ₹5,82,78,920 has been decapitalized and remaining unamortised portion as on transition date amounting to ₹4,05,66,916 have been shown as prepayments under Ind AS with corresponding decrease on equity by ₹1,77,12,004. Further payments made for Lease hold Land during the year 31st March 2017 were also decapitalised and transferred to Prepayments under Ind AS and accordingly the value of Lease hold Land have been reduced by ₹2,01,69,178 with corresponding increase in Prepayments during the year ended 31st March 2017. Subsequent changes for the year ended 31st March 2017 amounting to ₹22,15,065 shown under Other Expenses has been recognised in the Statement of Profit and Loss.
- (b) Ind AS requires expense relating to operating leases to be accounted for on straight line basis where the escalation vary because of factors other than general inflation. In entity's case, rent for the aforementioned lease is liable to be doubled after 4 years. Thus, this has resulted in decrease in Equity by ₹1,89,83,143 with corresponding increase of Lease liability as on the date of transition and the subsequent changes for the year ended 31st March 2017 amounting to ₹17,80,586 shown under Other Expenses has been recognised in the Statement of Profit and Loss.

(ii) Fair Valuation of Financial Assets & Liabilities

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

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of profit and loss.

On transition, the Group has fair valued certain financial assets including Security Deposits. This has resulted in decrease in Security Deposits by ₹43,16,639, recognition of Deferred Loss on fair valuation of Financial Instrument RS. 32,92,939 and decrease in total Equity ₹10,23,700 as on 1st April 2016 and the subsequent changes for the year ended 31st March 2017 amounting to ₹1,57,115 shown under Other Expense and ₹68,336 shown under Other Income has been recognised in the Statement of Profit and Loss.

(iii) Borrowings

- (a) Term Loan from Banks and Others:

Notes to the Consolidated Financial Statements

42. (Contd.)

1. Under previous GAAP, transaction costs incurred for raising finance from Bank in respect of acquiring Property, Plant & Equipments was considered as part of cost of Property, Plant & Equipments and are capitalised with the PPE. Under Ind AS, Transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition as Financial liability consisting of long term borrowings are to be fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. These costs are recognized over the tenure of the borrowing as part of the interest cost by applying Effective Interest Rate method. Such interest costs are added with the cost of PPE till the PPE are ready for use. Accordingly, as on the transition date 1st April 2016, the carrying amount of the Property, Plant & Equipment amounting to ₹1,86,72,054 has been decapitalized with corresponding decrease of Long Term Borrowings by ₹94,84,978 and decrease in Equity by ₹91,87,076 and subsequent changes for the year ended 31st March 2017 amounting to ₹12,87,331 shown under Depreciation and Finance Costs ₹34,87,579 has been recognised in the Statement of Profit and Loss.

2. Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit or Loss in the year in which such costs were incurred

Under Ind AS, financial liability consisting of long term borrowings are to fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. the transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition date, the Group has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by ₹39,45,490 as on 1st April 2016 respectively with corresponding increase in total equity and subsequent changes for the year ended 31st March 2017 amounting to ₹14,88,756 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

(b) Unsecured loan from Bodies Corporate: Under Previous GAAP, receivables and payables were recognised at transaction value.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The resulting changes are either recognised under finance income or expenses in the Statement of profit and loss.

On transition, the Group has fair valued unsecured Loans taken from Bodies corporate. This has resulted in decrease in unsecured Loan by ₹37,56,99,888, recognition of Deferred Gains on fair valuation of Financial instruments ₹35,50,85,998 and increase in total Equity ₹2,06,13,890 as on 1st April 2016 and the subsequent changes for the year ended 31st March 2017 amounting to ₹4,13,07,512 shown under other income and ₹2,96,56,085 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

(iv) Remeasurement of Defined Benefit Plan

Under previous GAAP and Ind AS, the Group recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/asset is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

This has resulted in reclassification of re-measurement gains on defined benefit plans (net of tax) of ₹13,99,835 for the year ended 31st March 2017 from Statement of profit and loss to OCI.

(v) Taxation

(a) In terms of Ind AS 12 "Income Taxes" deferred tax includes Minimum Alternate Tax (MAT) and accordingly the carrying value of Minimum Alternate Tax credit entitlement amounting to ₹21,82,90,019 (₹27,87,86,551 as on 31st March 2017) as per Previous GAAP shown under Other Current Assets as on 1st April 2016 being transition date have been reduced from Deferred Tax Liability under Ind AS. Consequently, Reversal of MAT Credit entitlement of ₹6,04,96,532 shown under Income Tax expenses for the year 31st March 2017 under previous GAAP have been reclassified as Deferred Tax Charges for the year ended 31st March 2017 under Ind AS.

(b) Deferred tax has been recognized in respect of accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by ₹33,15,63,922 as on 1st April 2016 and subsequent

Notes to the Consolidated Financial Statements

42. (Contd.)

changes for the year ended 31st March 2017 amounting to ₹2,71,51,909 shown under Deferred Tax charges has been recognised in the Statement of Profit and Loss.

(vi) Government Grant

Grant of ₹450 Lakhs was approved to the Group on 29th October 2015 for investment in Plant & Machinery in Jamshedpur under Capital promotion Incentive Scheme on 29th October 2015. As per the terms and conditions of the grant, 20% of the grant amount will be received in 5 year starting from 2016-17. Subsidy received is recognized under Capital reserve under the previous GAAP.

Ind AS does not permit recognition of government grant in the nature of Capital Subsidy to capital reserve. Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset.

Accordingly, to comply with Ind AS- 20 the Group has recognised Government Grant aggregating to ₹4,50,00,000 as Government Grant Receivable with the corresponding recognition of Deferred income of ₹4,35,34,753 and the differential impact aggregating to ₹14,65,247 has been transferred to retained earnings as at the transition date and the subsequent changes for the year ended 31st March 2017 amounting to ₹34,28,303 shown under Other Income in the Statement of Profit and Loss. Further receipt of 20% of the grant amounting to ₹90,00,000 shown under Capital reserve under previous GAAP by the Group have been adjusted from Government Grant receivable recognised under Ind AS on transition Date.

vii) Corporate Guarantee

Under previous GAAP, Corporate Guarantee issued by the Holding Company on behalf of Subsidiary Companies was not recognised but disclosed as a Contingent Liability.

Under Ind AS, Corporate Guarantee issued by the Holding company are designated as "Insurance Contracts". The company has classified the financial guarantee contract as contingent liability. Accordingly, there are no assets and liabilities recognised in the Balance Sheet under the contract.

viii) Previous GAAP figures have been reclassified to conform with IND AS presentation requirements for the purpose of these notes.

43. Due to substantial losses incurred by one of the subsidiary company and the prevailing market condition etc., the Management of the said subsidiary company has taken steps to procure adequate service orders from Steel Authority of India Limited, joint venturer and other customers. Further, during the year the volume of services rendered have also been increased as compared to earlier years.

Taking the above into consideration, the management of the subsidiary company believes that the aforesaid company has the ability to continue its operations as a going concern in the foreseeable future and accordingly the financial statements for the year ended 31st March 2018 have been prepared on the basis that the said subsidiary company is a going concern.

44. These Consolidated financial statements have been approved by the Board of Directors of the Company on May 26, 2018 for issue to the shareholders for their adoption.

For and on behalf of the Board of Directors

For **Lodha & Co.**

Chartered Accountants
Firm Regn No.-301051E

H.K. Verma

Partner
Membership No. 055104

Place: Kolkata

Date: 26th May 2018

Ram Gopal Bansal

Chairman
DIN: 00144159

Abhishek Agarwal

Chief Financial Officer

Harsh Bansal

Managing Director
DIN: 00137014

Arbind Jain

Company Secretary

CORPORATE INFORMATION

CIN: L51109WB1981PLC034212

BOARD OF DIRECTORS

Mr. Ram Gopal Bansal
Chairman & Whole time Director

Mr. Harsh Kumar Bansal
Managing Director

Mr. Vivek Kumar Bansal
Managing Director

Mr. Debasish Basu
Non-Executive Independent Director

Mr. Ram Priya Sharan
Non-Executive Independent Director

Mr. Sunil Kumar Parik
Non-Executive Independent Director

Mrs. Gayatri Singh
Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Abhishek Agarwal

COMPANY SECRETARY

Mr. Arbind Kumar Jain

BANKERS

Bank of Baroda
United Bank of India
State Bank of India
Bank of India

STATUTORY AUDITORS

Lodha & Co.
Mr. Harsh Kumar Bansal

SECRETARIAL AUDITORS

M/s. MKB & Associates

COST AUDITORS

Sohan Lal Jalan & Associates

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SOLICITORS & ADVOCATES

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