



BHARAT WIRE ROPES LTD

Regd. Office: A-701, Trade World, Kamla City, Lower Parel (West), Mumbai 400 013 (India)
Tel Nos: +91 22 66824600/01/02/03/04 Email: info@bharatwireropes.com Website: www.bharatwireropes.com

DIRECTORS' REPORT

To
The Members ,

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the period ended 31st March , 2013.

1. FINANCIAL RESULTS :

The following are the financial results of the Company for the period under review :

	2012-2013 Rs.	2011-2012 Rs.
Revenue from Operations(Net)	734,050,412	770,226,221
Add: Other Income	9,922,228	0
	<u>743,972,639</u>	<u>770,226,221</u>
Profit before Tax and Depreciation	43,455,456	45,406,161
Less: Depreciation	21,798,359	15,279,501
	<u>21,657,097</u>	<u>30,126,660</u>
Less: Current tax	4,605,799	6,093,100
Less: Minimum Alternative Tax Credit Entitlement	(4,333,098)	(1,912,264)
Less: Deferred Tax	8,265,346	6,472,992
Income Tax for Earlier Years	324,158	0
	<u>12,794,892</u>	<u>19,472,833</u>
Profit after Tax available for appropriation	98,245,600	78,772,767
Add: Balance brought forward from previous year	(26,530,757)	0
Less: Deferred Tax for earlier years		
	<u>84,509,734</u>	<u>98,245,600</u>
Balance carried to Balance Sheet		

2. OPERATIONS:

Overall performance of the company has been satisfactory during the year. Sales decreased marginally on account of labor unrest and market conditions. The net profit of the company is 127.95 lacs during 2012-13 which reduced mainly on account of increase in cost of Raw material and above mentioned reasons.

3. DIVIDEND:

With a view to conserve the resources of the Company for expansion, the Directors do not recommend any dividend for the year ended 31st March 2013.





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4. DIRECTORS:

During the year under review, Mr. K.V.Rao and Mr. Sumit Kumar Modak were appointed as Additional Directors on 4th January 2013. They hold office up to the date of the Annual General Meeting and being eligible have offered themselves for reappointment.

Further, Mr. K.V.Rao and Mr. Sumit Kumar Modak were appointed as Whole-time Directors for a period of 3 years with effect from 4th January 2013, subject to the approval of the shareholders in the forthcoming Annual General Meeting.

In accordance with Article 101 of the Articles of Association of the Company and provisions of Section 255, 256 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Sushil Sharda and Mr. N. Balasubramanian retire by rotation and being eligible, offers themselves for re-appointment.

5. REMUNERATION TO EXECUTIVE DIRECTORS:

In accordance with the provisions of Schedule XIII the following disclosures with regard to remuneration paid to Executive Directors during the financial year ended 31st March 2013 are made-

<u>Name of Director</u>	<u>Designation</u>	<u>Remuneration paid during the financial year 2012-2013</u>	
		<u>Basic Salary(Rs.)</u>	<u>Allowances (Rs.)</u>
Mr. M.L.Mittal	Managing Director	33,00,000/-	Nil
Dr. S.K. Mittal	Whole-time Director	6,00,000/-	3,00,000/-
Mr. Sushil Sharda	Whole-time Director	23,04,000/-	Nil
Mr. Mayank Mittal	Whole-time Director	25,00,000/-	Nil
Mr. K.V.Rao	Whole-time Director	1,99,596/-	2,56,401/-
Mr. Sumit Modak	Whole-time Director	4,42,592/-	Nil

6. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2 AA) which was introduced by the Companies (Amendment) Act , 2000 , your Directors confirm that they have :-

- (i) Followed the applicable accounting standards in the preparation of the annual accounts.
- (ii) Selected such accounting policies and applied them consistently, made and of the profit of the Company for the year ended 31st March , 2013.
- (iii) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act , for safe guarding the assets of the Company, preventing, detecting fraud and other irregularities .
- (iv) Prepared the annual accounts for the Financial year 31st March , 2013 on a going concern basis .





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7. **DEPOSITS:**

The Company has not invited nor accepted any Deposits from the Public under the Companies (Acceptance of Deposits) Rules, 1975 read with Section 58A of the Companies Act , 1956 .

8. **PARTICULARS OF EMPLOYEES :**

The Company has no such employee as would be covered under Section 217 (2A) of the Companies Act , 1956 read with the Companies (Particulars of Employees) Rules, 1975 .

9. **CONSERVATION OF ENERGY , TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO .**

The Company is taking necessary steps for Conservation of Energy. Technology Absorption is not applicable to the Company. Particulars of Foreign Exchange Earnings and Outgo are as provided in the Notes to Accounts.

10. **AUDITORS:**

M/s Sureka Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

11. **ACKNOWLEDGEMENTS :**

Your Directors thank the Company's Bankers for their help and co-operation extended throughout the year. Your Directors place on record their appreciation for the support and co-operation that the Company received from its stakeholders, customers and suppliers. Your Directors also record their appreciation for the excellent operational performance of the staff of the Company that contributed to the achievements of the Company.

For and on behalf of the Board of Directors

(M.L. MITTAL)
CHAIRMAN & MANAGING DIRECTOR

Registered Office :
701, A Wing , Trade World, Kamla City ,
Senapati Bapat Marg,
Lower Parel (W),
Mumbai 400 013

Dated :02nd September, 2013



BHARAT WIRE ROPES LIMITED

Corporate Address :-
A-701, Trade World
Kamala City, Senapati Bapat Marg,
Lower Parel (W), Mumbai 400 013

PAN : AABCB2180N

Asst. Year 2013-2014 (F.Y.31.03.2013)

Status Code : Domestic Company

STATEMENT OF TOTAL INCOME

	Rs.	Rs.
I) INCOME FROM HOUSE PROPERTY:		
Rent Received	962,500	
Net Assets Value	962,500	
Less: Deduction Under section 24 30% of N.A.V.	288,750	673,750
II) PROFIT & GAIN FROM BUSINESS:		
Net Profit/(Loss) as per Profit & Loss Account (Before Tax)		21,657,097
<u>Add : Items Disallowed(considered separately)</u>		
Deprecation as per Companies Act	21,798,359	
Provision for Bonus	1,857,000	
Provision for Gratuity made during the year	1,948,379	
Provision for Leave encashment made during the year	252,951	
Book Loss on sale of Plant and Machinery	467,995	26,324,684
<u>Less: Items Allowed(considered separately)</u>		
Deprecation as Per Income Tax Act	53,882,559	
Bonus Paid	1,747,924	
Gratuity Paid	638,608	
Net gain/loss on Sale of Investments (Bonds)	3,510,837	
Leave Encashment Paid	170,158	
Rental Income	962,500	60,912,586
TAXABLE BUSINESS INCOME		(12,930,804)
III) CAPITAL GAIN (LOSS)		
Short Term Capital Gain on Sales of Bonds		3,510,837
Total Income Rounded Off u/s 288A		(8,746,217)
IV) TAX PAYBLE ON TOTAL INCOME		
Tax Payable on normal income @ 30%	-	
Add: Surchage @ 5%	-	
Add : Cess @ 3%	-	
Total Tax payable (A)		
U/s 115JB (As per Form 29B enclosed) (B)	4,333,098	
Tax payable higher of above (A OR B)		4,333,098
Total tax Payable		4,333,098
Less : TDS AY 2013 -14		326,750
		4,006,348
Less: Advance Tax		2,000,000
		2,006,348
Add: Interest under section 234B		120,381
Add: Interest under section 234C		152,321
Tax Payable / (Refundable)		2,279,050

BHARAT WIRE ROPES LIMITED

MAT credit balance available to be Carried Forward

Particulars	Opening Bal	For the year	Closing Balance
AY 10-11	8,661,651	-	8,661,651
AY 12-13	1,912,264	-	1,912,264
AY 13-14		4,333,098	4,333,098
Total	10,573,915	4,333,098	14,907,013

Unabsorbed Depreciation to be Carried Forward

Particulars	Opening Bal	For the year	Closing Balance
AY 13-14		8,746,217	8,746,217
Total	-	8,746,217	8,746,217

Interest u/s 234C

Due date for payment	%	Amount Payable	Amount paid	Difference	Interest Payment
15th June 12	15	600,952	-	600,952	18,029
15th Sept 12	45	1,802,857	-	1,802,857	54,086
15th Dec 12	75	3,004,761	1,000,000	2,004,761	60,143
15th Mar 13	100	4,006,348	2,000,000	2,006,348	20,063
Total					152,321

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608
EMAIL: surekas@vsnl.com

INDEPENDENT AUDITOR'S REPORT

To the Members of BHARAT WIRE ROPES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statement of **BHARAT WIRE ROPES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

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

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W



Suresh Sureka
Partner

Membership No. 34132
Place : Mumbai
Date 02 SEP 2013



SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608
EMAIL: surekas@vsnl.com

ANNEXURE TO THE AUDITORS' REPORT

**Statement referred to in paragraph (5) of our report of even date to the members of
BHARAT WIRE ROPES LIMITED on the accounts for the year ended 31st March, 2013**

- 1.(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased periodical manner at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanation given to us, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2.(a) Physical verification of inventories at plant has been conducted by the management at reasonable intervals during the year. In our opinion, having regard to nature of business and location of stocks, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to the book records were not material.
- 3.(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
- (b) According to the information and explanations given to us, the Company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Act. The maximum outstanding at any time during the year was Rs 565 lacs and year-end balance is Nil.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
- (d) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
- (e) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.



4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, transactions that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupee Five lakhs in respect of any party during the year have been made at a prices which are reasonable having regard to the prevailing market prices at that relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
7. The Company does not have an internal audit system. However, as per information and explanations given to us, the Company has adequate internal control commensurate with the size of the Company and nature of its business to ensure independent checking of all transactions at periodic intervals.
8. On the basis of records produced, we are of the opinion that prima facie cost accounting records prescribed by the Government u/s 209(1)(d) of the Act, in respect of products of the Company have been maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounting records.
9. (a) According to the information and explanations given us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable to it, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, there are no disputed dues on account of sales tax/custom tax/ wealth tax/ service tax/ excise duty/ cess. Dues on account of the disputed Income tax which have not been deposited are as under:

Name of the statute (Nature of Dues)	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	13.26	AY 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	27.57	AY 2010-11	Commissioner of Income Tax (Appeals)



SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company and related information as made available to us, we are of the opinion that there are no funds raised on short term basis which have been used for long term investments.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of equity shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W

Suresh Sureka
Partner

Membership No. 34132
Place : Mumbai
Date 02 SEP 2013



BHARAT WIRE ROPES LIMITED

Balance Sheet as at 31 March, 2013

		(Amt. in Rs.)		
	Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1.1	293,966,930	293,966,930
	(b) Reserves and surplus	2.2	398,855,231	412,591,097
			692,822,161	706,558,027
2	Non-current liabilities			
	(a) Long-term borrowings	2.3.1	263,298,361	319,031,417
	(b) Deferred tax liabilities (net)	2.4	40,392,087	5,595,984
	(c) Other Long term liabilities	2.5	1,650,000	-
	(d) Long-term provisions	2.6	5,027,425	3,634,861
			310,367,873	328,262,262
3	Current liabilities			
	(a) Short-term borrowings	2.7	214,073,839	229,801,154
	(b) Trade payables	2.8	175,755,159	95,805,962
	(c) Other current liabilities	2.9	91,740,077	75,355,450
	(d) Short-term provisions	2.10	308,880	1,181,052
			481,877,954	402,143,618
	TOTAL		1,485,067,989	1,436,963,907
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	2.11	678,695,906	606,212,596
	(ii) Intangible assets	2.11	19,951,368	19,951,368
	(iii) Capital work-in-progress	2.12	49,290,726	70,247,869
	(b) Long-term loans and advances	2.13	10,071,544	9,080,245
			758,009,544	705,492,077
2	Current assets			
	(a) Current Investments	2.14	8,360,000	-
	(b) Inventories	2.15	349,355,208	287,786,702
	(c) Trade receivables	2.16	205,645,724	220,313,987
	(d) Cash and Bank Balances	2.17	84,013,341	125,773,447
	(e) Short-term loans and advances	2.18	16,046,979	32,588,449
	(f) Other current assets	2.19	63,637,193	65,009,245
			727,058,445	731,471,831
	TOTAL		1,485,067,989	1,436,963,907

Notes forming part of financial statements

1-2

As per our report of even date attached

For Sureka Associates
Chartered Accountants
Firm Registration No:110640W

Suresh Sureka
Partner
Membership No:34132

Date **02 SEP 2013**
Place : Mumbai



For and on behalf of the Board of Directors

[Signature]
Director



[Signature]
Director



BHARAT WIRE ROPES LIMITED

Statement of Profit & Loss for the year ended 31 March, 2013

(Amt. in Rs.)

	Particulars	Note No.	Year Ended	
			31st March, 2013	31st March, 2012
	Revenue			
1	Revenue from operations (gross)	2.20	798,780,067	842,818,103
	Less: Excise duty		64,729,655	72,591,882
	Revenue from operations (net)		734,050,412	770,226,221
2	Other income	2.21	9,922,228	-
3	Total revenue (1+2)		743,972,639	770,226,221
4	Expenses			
	(a) Cost of materials consumed	2.22	393,680,476	429,089,001
	(b) Purchases of traded goods	2.23	145,467,399	14,439,619
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.24	(54,939,497)	75,038,100
	(d) Employee benefits expense	2.25	75,529,145	66,340,208
	(e) Finance costs (net)	2.26	48,968,718	42,769,964
	(f) Depreciation and amortisation expense	2.11	21,798,359	15,279,501
	(g) Other expenses	2.27	91,810,941	97,143,167
	Total expenses		722,315,542	740,099,561
5	Profit before Tax (3 - 4)		21,657,097	30,126,660
6	Tax expense:			
	(a) Current tax		4,605,799	6,093,100
	(b) (Less): MAT credit entitlement		(4,333,098)	(1,912,264)
	(c) Relating to earlier years		324,158	-
	(d) Deferred tax		8,265,346	6,472,992
			8,862,205	10,653,828
7	Profit for the year		12,794,892	19,472,833
8	Earnings per Equity Share			
	Face Value per Equity Share Rs 10			
	Basic & Diluted	2.28	0.44	1.51

Notes forming part of financial statements

1-2

As per our report of even date attached

For Sureka Associates
Chartered Accountants
Firm Registration No:110640W



Suresh Sureka
Partner
Membership No:34132

Date: 02 SEP 2013
Place: Mumbai



For and on behalf of the Board of Directors


Director


Director



BHARAT WIRE ROPES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

(Amt. in Rs.)

Particular	Year ended 31 March, 2013	Year ended 31 March, 2012
A. Cash flow from/(used in) operating activities:		
Profit before tax and extraordinary items	21,657,097	30,126,660
a) Adjustment for:		
Depreciation	21,798,359	15,279,501
Interest and Finance charges	48,968,718	42,769,964
Loss on sale of Asset	467,995	1,114,744
b) Changes in current assets and liabilities:		
Inventories	(61,568,506)	127,145,792
Trade and other receivables	14,668,263	31,479,413
Loans & advances	15,550,171	(21,226,582)
Other Current Assets	1,372,052	26,305,054
Provisions	520,392	(4,098,637)
Other Current Liabilities	16,384,627	54,342,439
Trade payable and others	79,949,197	(164,213,981)
c) Income tax paid	(596,859)	(4,180,836)
Net cash generated from/(used in) operations (A)	159,171,506	134,843,532
B. Cash flow from/(used in) investing activities:		
Purchase of fixed assets (including CWIP)	(94,856,332)	(411,321,870)
CWIP	20,957,143	(67,442,582)
Sale of fixed assets	106,666	3,851,500
Investments in Bonds	(8,360,000)	-
Net Cash generated from/(used in) investing activities (B)	(82,152,523)	(474,912,952)
C. Cash flow from/(used in) financing activities:		
Proceeds from issue of equity shares	-	168,372,930
Security Premium Recd on Issue of Share	-	231,575,809
Proceeds/(Repayment) of long term & other borrowings	(69,810,371)	73,434,682
Interest and finance charges paid	(48,968,718)	(42,769,964)
Net Cash generated from/(used in) financing activities (C)	(118,779,089)	430,613,457
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(41,760,106)	90,544,037
Add: Opening balance of cash & cash equivalents	125,773,447	35,229,411
Closing balance of cash & cash equivalents	84,013,341	125,773,447

Notes forming part of financial statements

1-2

Notes:

1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2) Previous year figures have been regrouped/ recast wherever necessary.

As per our report of even date attached

For Sureka Associates
Chartered Accountants
Firm Registration No:110640W

Suresh Sureka
Partner
Membership No:34132

Date : 02 SEP 2013
Place : Mumbai



For and on behalf of the Board of Directors


Director


Director



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

1 Significant Accounting Policies :

1.1 Basis of Accounting

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) [Companies(Accounting Standards) Rules, 2006,as amended] and the other relevant provisions of the Companies Act,1956.

1.2 Use of Estimates

The preparation of financial statements requires the management of Company to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized. Though the management believes that the estimates used are prudent and reasonable, actual results could differ from these estimates.

1.3 Fixed Assets

- a) Fixed assets are stated at cost, unless stated otherwise. Cost comprises the purchase price and attributable
- b) **Impairment of Assets:** Impairment of an asset is reviewed and recognised if the event changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognised as impairment loss in the statement of profit and loss in the year of impairment.
- c) **Capital work in progress:** Capital work in progress is stated at the amount expended up to the date of balance sheet, and expenditure incurred during construction period:

1.4 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to statement of profit and loss.

1.5 Depreciation on Fixed Assets

- a) Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) Leasehold improvements are depreciated over the unexpired period of respective leases or useful life whichever is shorter.
- c) Fixed assets costing individually up to Rs. 5,000 are depreciated fully in the year of purchase.



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

1.6 Investments

Investments intended to be held for more than a year, from the date of acquisition, are classified as long-term and are stated at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. Current Investments are stated at cost or fair value whichever is lower.

1.7 Revenue Recognition

- a) Sale of goods is recognized when the risks and rewards of ownership are passed on to the customers, which is generally on dispatch. Export Sales are accounted for on the basis of date of bill of lading. Gross Sales include excise duty, adjustments for price variation, quality claims, liquidated damages and exchange rate variations related to export realization.
- b) **Export benefits:** Duty Entitlement Pass Book (DEPB) and Duty Drawback is accounted on accrual basis.
- c) Revenue from Services is recognized when the services are completed.
- d) Dividend income is recognized when the right to receive the dividend is unconditional.

1.8 Inventory

Inventories are valued at lower of cost or net realizable value.

1.9 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as an expense on accrual basis in accordance with the respective lease agreements.

1.10 Foreign Currency Transactions

- a) Foreign exchange transactions are converted into Indian Rupees at the prevailing rate on the date of the transactions. Current monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the year. Non monetary items are carried at cost.
- b) Exchange differences arising on the settlement or re-statement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or expense in the year in which they arise.
- c) Premium / discount on forward exchange contracts not relating to firm commitments or highly probable forecasted transactions and not intended for Trading or Speculation purpose is amortized as income or expense over the life of the contract.



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

1.11 Accounting for Taxes on Income

- a) Current tax is determined as the amount of tax payable in respect of taxable income of the year computed as per
- b) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using prevailing enacted or substantively enacted tax rates.

1.12 Employee Benefits

- a) **Short-term Benefits** :Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) **Defined Benefit Plans**: The Company's liability towards gratuity and superannuation benefits of eligible employees is covered by a policy with LIC and the annual contributions are paid /provided in accordance with this scheme. Leave encashment is provided on the basis of leave balance as at the date of Balance Sheet. The Company's contribution towards provident fund is administered and managed by an approved trust and is charged to revenue.
- c) **Defined Contribution Plans**: Provident fund is a post-employment defined contribution plan, with no legal and constructive obligation to pay further amounts. Contribution to provident fund is recognized as an expense when they are due.

1.13 Research & Development

Capital expenditure on research and development is treated in the same manner as fixed assets. Revenue expenditure on research and development is charged to Statement of Profit and Loss.

1.14 Provisions & Contingent Liabilities

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed in the financial accounts. Contingent assets are not recognized or disclosed in the financial statements.

1.15 Earning Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings per Share. Basic earnings per equity share have been computed by dividing net profit after tax (after adjusting for dividend on cumulative preference shares) attributable to equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity and equivalent dilutive equity shares outstanding during the year, except where results would be anti-dilutive.



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2 Notes To Accounts

2.1 Share capital

2.1.1	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		Number of shares	Amount (Rs)	Number of shares	Amount (Rs)
	(a) Authorised				
	Equity shares of Rs.10 each	30,000,000	300,000,000	30,000,000	300,000,000
		30,000,000	300,000,000	30,000,000	300,000,000
	(b) Issued, Subscribed and fully paid up				
	Equity shares of Rs.10 each	29,396,693	293,966,930	29,396,693	293,966,930
		29,396,693	293,966,930	29,396,693	293,966,930

2.1.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	Amount(Rs)	No of shares	Amount(Rs)
Number of equity shares at the beginning of the year	29,396,693	293,966,930	12,559,400	125,594,000
Add: Equity shares issued during the year	-	-	16,837,293	168,372,930
Number of equity shares at the end of the year	29,396,693	293,966,930	29,396,693	293,966,930

2.1.3 Details of Shareholder holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gaji Mercantile Pvt. Ltd.	25,675,484	87.34%	25,675,484	87.34%
Passionate Investment Management Pvt. Ltd.	-	-	1,837,293	6.25%
Mr .Motilal Gopilal Oswal.	1,837,293	6.25%	-	-
Total	27,512,777	93.59%	27,512,777	93.59%

2.1.4 Shares held by holding/ultimate holding company and /or their subsidiaries

Out of Equity Shares issued by the Company, shares held by its holding company, ultimate holding company and

Particulars	As at 31st March, 2013		As at 31 March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Holding company				
Gaji Mercantile Pvt. Ltd.	25,675,484	87.34%	25,675,484	87.34%

Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.1.5 Terms/right attached to Equity shares

The company has only one class of equity shares having a face value of `10 per share. Each holder of equity share is entitled to one vote per share. The dividend, if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March, 2013, Rs. Nil per share (31 March, 2012: Rs.NIL) is recognised as dividend distributions to equity shareholders.

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

2.2 Reserves and Surplus

Particulars	As at 31st March, 2013 Amount (Rs)	As at 31st March, 2012 Amount (Rs)
Capital Reserve		
As per Last Balance Sheet	4,799,688	4,799,688
Add : Current year transfer	-	-
Closing Balance	4,799,688	4,799,688
Securities Premium Account		
As per Last Balance Sheet	309,545,809	77,970,000
Add : Securities premium received on issue of equity shares during the year (refer note 1 below)	-	231,575,809
Closing balance	309,545,809	309,545,809
Surplus		
Balance in Statement of Profit & Loss		
As per Last Balance Sheet	98,245,600	78,772,767
Add: Net profit after tax for the current period	12,794,892	19,472,833
Less: Deferred Tax for earlier years	(26,530,757)	-
Closing balance	84,509,734	98,245,600
Total Reserves and Surplus	398,855,231	412,591,097

Note 1:

During the previous year, the Company has issued 150,00,000 equity shares of Rs 10 each at premium of Rs 10 per share & 1,837,293 equity shares of Rs.10 each at premium of Rs. 44.40 to new Shareholders.



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.3 Long-term borrowings

2.3.1	Particulars	As at 31st	As at 31st
		March, 2013	March, 2012
		Amount (Rs)	Amount (Rs)
	Secured (See Note 2.3.2 given below)		
	(A) Term loans From Banks		
	Indian rupee loan	15,961,681	3,489,435
	Foreign currency loan	62,829,540	91,332,500
		78,791,221	94,821,935
	UnSecured (See Note 2.3.3 given below)		
	(B) Deferred payment liabilities		
	Sales Tax Loan	184,507,140	184,507,140
	(C) Buyers Credit for Capital Goods	-	39,702,342
	Total	263,298,361	319,031,417

2.3.2 Term Loan is secured by first charge by way of mortgage /hypothecation of entire immovable and movable fixed assets of the Company at Atgaon, both present and future and also secured by second/floating charge on current assets. It is also secured by the personal guarantee of one of the Director. The loan is repayable in 12 quarterly installments of Rs. 1,67,00,000/- crore each commenced from Sep 2012.

2.3.3 The Govt. of Maharashtra under Package Scheme of Incentive has extended to the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax attributable to the sales effected out of production is deferred (interest free) for a period of 8 Years 9 Months from 01.05.2003 to 31.01.2012. The deferred sales tax in respect of above is based upon the sales tax returns. The above amount is repayable in five equal annual instalments from the Financial Year 2014-15 to 2026-27.

2.4 Deferred Tax:-

The major components of deferred tax assets and deferred tax liabilities are as under

Particulars	April 2012 to March 2013		April 2011 to March 2012	
	Deferred Asset (Rs)	Deferred Liabilities (Rs)	Deferred Asset (Rs)	Deferred Liabilities (Rs)
Provision for Gratuity	632,249	207,228	183,609	-
Provision for Leave encashment	82,083	55,216	51,871	-
Provision for Bonus	602,597	567,201	567,201	-
Difference between book depreciation & Income Tax Depreciation (including earlier years)	-	43,717,519	-	6,398,665
Unabsorbed Depreciation	2,838,148			
Total	4,155,077	44,547,164	802,681	6,398,665
Net Deferred Tax (Liabilities)/ Asset	-	(40,392,087)		(5,595,984)



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.5 Other Long term liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Others		
Security deposits received	1,650,000	-
Total	1,650,000	-

2.6 Long term Provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Provision for employee benefits		
Gratuity	3,692,936	2,383,165
Leave encashment.	1,334,489	1,251,696
Total	5,027,425	3,634,861

2.7 Short term borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Secured Loan from Banks(See Note 2.7.1 given below)		
Cash Credit From Banks	214,073,839	173,801,154
Unsecured Loan		
Repayable on Demand		
Loan and advances from Related Party	-	25,500,000
Deposit		
Intercorporate Deposit.	-	30,500,000
Total	214,073,839	229,801,154

2.7.1 Cash Credit(Working Capital facilities) from Banks are secured by first charge of hypothecation of raw materials, finished goods in process, stores and book debts of the Company and second charge on entire immovable and movable fixed assets of the Company both present and future of the Company. It is also secured by the personal guarantee of one of the Director.



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.8 Trade Payables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Trade Payables:		
- Dues to micro and small enterprises (See Note no 2.28.8)	-	-
- Dues to others	175,755,159	95,805,962
Total	175,755,159	95,805,962

2.9 Other current liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Current maturities of Long Term Debt.	66,800,000	50,100,000
Advances from customers.	6,382,128	10,119,463
Statutory Amount Payables.	4,307,566	1,344,100
Outstanding Expenses.	14,250,383	13,791,887
Total	91,740,077	75,355,450

2.10 Short Term Provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Provision for Excise duty on closing stock.	308,880	1,181,052
Total	308,880	1,181,052



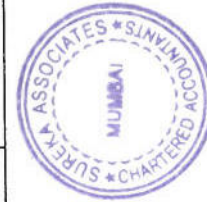
Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.11 Tangible & Intangible Assets

(Amt. in Rs.)

Description	Gross block				Depreciation/amortisation			Net block	
	As at 1 April 2012	Additions	Deductions	As at 31 March 2013	As at 1 April 2012	For the year	Deductions	As at 31 March 2013	As at 31 March 2012
A Tangible assets									
Land	325,220,141	942,833	-	326,162,974	-	-	-	326,162,974	325,220,141
Factory Buildings	84,409,142	-	-	84,409,142	22,775,614	2,916,239	-	25,691,852	61,633,528
Plant and machineri..s	268,974,992	80,260,978	-	349,235,970	79,933,042	15,302,847	-	95,235,890	189,041,950
Furniture and fixtures	3,932,636	13,372,885	-	17,305,521	1,131,343	595,009	-	1,726,352	2,801,293
Motor vehicles	9,782,802	-	780,686	9,002,116	1,692,392	1,099,077	206,024	2,585,445	8,090,410
Office equipments	5,817,454	225,581	-	6,043,036	1,744,544	282,624	-	4,015,868	4,072,910
Office Premises	12,872,391	-	-	12,872,391	2,584,733	209,820	-	2,794,553	10,287,658
Computers	8,577,386	54,054	-	8,631,440	3,512,681	1,392,743	-	4,905,424	5,064,706
Sub total - A	719,586,944	94,856,332	780,686	813,662,590	113,374,349	21,798,359	206,024	134,966,684	606,212,596
B Intangible asset									
Goodwill	19,951,368	-	-	19,951,368	-	-	-	19,951,368	19,951,368
Sub total - B	19,951,368	-	-	19,951,368	-	-	-	19,951,368	19,951,368
Total	739,538,312	94,856,332	780,686	833,613,958	113,374,349	21,798,359	206,024	134,966,684	626,163,964
Previous year	334,006,516	411,321,870	5,790,073	739,538,313	98,918,678	15,279,501	823,829	113,374,349	235,087,838



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.12 Capital work-in-progress

Particulars	As at 31st March, 2013	As at 31 March 2012
	Amount (Rs)	Amount (Rs)
For Chalisgaon Project		
Opening Balance	-	-
Expenses incurred during the year		
Premium for lease hold land.	31,230,000	-
Less : Lease Premium amortised during the year	128,793	-
Lease Premium	31,101,207	-
Lease Premium Amortised	128,793	-
Salary & Other Administrative Expenses	15,296,726	-
Expenses Transferred from Last year's CWIP	2,764,000	-
Sub Total (A)	49,290,726	-
For Others		
Opening Balance	70,247,869	2,805,287
Expenses incurred during the year		
Plant & Machinery	570,304	60,207,068
Salary & Other Expenses	3,439,993	7,474,937
Interest on Buyers Credit Loan/Term Loan	4,768,226	896,864
Less: Transferred to Chalisgaon Project	(2,764,000)	-
Less: Capitalized during the year	(76,262,392)	(1,136,287)
Sub Total (B)	-	70,247,869
Total (A+B)	49,290,726	70,247,869

2.13 Long-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Unsecured, considered good		
Capital Advances	4,900,000	1,064,644
Security deposits	5,171,544	8,015,601
Total	10,071,544	9,080,245



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.14 Current Investments

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Investments in Bonds(unquoted fully paid up (valued at cost))		
8 (Nil), 9.84% AirIndia Bond (Face Value Rs 10 Lacs each)	8,360,000	-
Total	8,360,000	-

2.15 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
[As taken, valued and certified by the management]		
Raw Materials	124,583,883	120,006,514
Work in Progress	211,386,814	149,390,909
Finished Goods	2,807,910	9,263,172
Stores & Spares	8,745,939	6,785,983
Packing Materials	1,830,662	866,806
Goods In Transit	-	1,473,318
Total	349,355,208	287,786,702

2.16 Trade receivables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	52,243,956	32,555,111
Others (Within Six Months from the date they were due for payments)	153,401,768	187,758,876
Total	205,645,724	220,313,987



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.17 Cash and Bank Balances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Cash and Cash equivalents		
Balances with Bank		
(i) In current accounts	65,734,526	10,945,990
(ii) Deposit with original maturity of less than three months	-	100,000,000
Cash on hand	100,987	171,906
Other Bank Balances		
Deposit with original maturity for more than 12 months	25,000	25,000
Margin Money Deposit(Secured against Bank Guarantees/Letter of Credit)	18,152,828	14,630,551
Total	84,013,341	125,773,447

2.18 Short-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Unsecured, considered good		
Advances to Suppliers	9,317,476	24,811,631
Other Advances	6,729,503	7,776,819
Total	16,046,979	32,588,449

2.19 Other Current Assets

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Prepaid Expenses	1,165,034	577,954
Balance with government authorities	57,281,742	59,428,435
Interest accrued	1,600,115	733,342
Deposit	3,590,302	4,269,515
Total	63,637,193	65,009,245



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.20 Revenue from Operations

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Revenue from operations		
Sale of products		
Finished goods	645,961,841	799,678,402
Traded goods	147,619,693	14,782,882
Other operating revenue		
Scrap Sales	1,859,716	8,779,423
Others	-	16,500,064
Export Benefits	3,338,817	3,077,332
Revenue from operations (gross)	798,780,067	842,818,103
Less: Excise duty	64,729,655	72,591,882
Revenue from operations (net)	734,050,412	770,226,221

Productwise summary of Sales

Product	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Wire Ropes, Stranded Wire & Slings Items	645,222,509	824,957,890
Traded Goods - Steel Related Products	147,619,694	14,782,882
Total	792,842,203	839,740,771

2.21 Other Income

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Interest Income	6,411,391	-
Net gain on Sale of Investments	3,510,837	-
Total	9,922,228	-

2.22 Cost of material consumed

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Inventory at the beginning of the year	127,659,303	180,466,510
Add: Purchases	401,181,657	376,281,794
Less : Inventory at the end of the year	135,160,484	127,659,303
Total	393,680,476	429,089,001



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

Productwise summary of Purchases

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Wire Rods, Wire & Wire related items	339,758,151	318,989,083
Consumables	15,966,929	12,291,953
Packing Material	18,275,529	20,371,656
Others	27,181,048	24,629,102
Total	401,181,657	376,281,794

2.23 Purchases of Traded Goods

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Steel related products	145,467,399	14,439,619
Total	145,467,399	14,439,619

2.24 Changes in inventory of finished goods, work-in-progress

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Inventories at the beginning of the year		
Finished goods	10,736,490	5,156,653
Work-in-progress	149,390,909	229,309,331
	160,127,399	234,465,984
Inventories at the end of the year		
Finished goods	2,807,910	10,736,490
Work-in-progress	211,386,814	149,390,909
	214,194,724	160,127,399
Less : Increase/(Decrease) In Excise Duty on Finished Goods	(872,172)	(699,515)
	(54,939,497)	75,038,100



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.25 Employee Benefit Expenses

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Salaries, wages, allowance and other benefits	71,456,248	62,158,643
Contribution to provident fund and other funds	2,415,598	2,289,305
Staff Welfare Expenses	1,657,299	1,892,260
Total	75,529,145	66,340,208

2.26 Finance Cost

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Interest	35,840,770	33,573,707
Bank Charges	3,856,115	3,692,394
Net gain / (loss) on Foreign currency transaction and translation.	9,271,833	5,503,862
Total	48,968,718	42,769,964

2.27 Other Expenses

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount (Rs)	Amount (Rs)
Power & Electricity Charges	14,619,073	11,138,208
Freight Forwarding Charges	33,335,844	26,420,310
Rent Rates & Taxes (Net)	3,792,289	1,628,043
Repair & Maintenance	5,266,299	11,405,867
Commission on Sales	3,183,913	3,832,267
Travelling Expense	4,852,653	2,764,516
Communication Expenses	1,118,514	1,309,593
Printing & Stationery	1,168,851	931,634
Professional Fees & Consultancy Charges	3,932,523	1,698,282
Audit Fees	50,000	50,000
Office & Factory General Expenses	952,431	863,731
Security Charges	2,068,737	1,205,278
Custom Duty	8,848,545	3,725,609
Inspection & Testing Charges	1,077,245	1,288,745
Insurance	923,279	886,915
Bad Debts	2,239,426	22,982,224
Loss On Sale of Fixed Assets	467,995	1,114,744
Filing Fees For Increase in Authorised Capital	-	1,190,000
Order Cancellation Charges (Sales)	389,486	-
Quality Claim (Sales)	703,884	-
Miscellaneous Expenses	2,819,954	2,707,202
Total	91,810,941	97,143,167



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

Other Significant Notes**2.28 Basic & Diluted Earnings Per Share**

2.28.1 For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

Particulars	As at 31st March,	As at 31st March,
	2013	2012
	Amount (Rs)	Amount (Rs)
Basic Earnings Per Share		
Net Profit after tax (A)	12,794,892	19,472,833
Weighted average number of equity shares (Nos.) (B)	29,396,693	12,928,593
Basic Earnings Per Share of face value of Rs.10/- each (A)/(B)	0.44	1.51
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS (A)	12,794,892	19,472,833
Weighted average number of equity shares (Nos.)	29,396,693	12,928,593
Number of Shares used for calculating Diluted EPS (B)	29,396,693	12,928,593
Diluted Earnings Per Share of face value of Rs.10/- each (A)/(B)	0.44	1.51

2.28.2 As required by the Accounting Standard (AS) 28 'Impairment of Assets', the Company has reviewed potential generation of economic benefits from fixed assets and accordingly no provision for impairment loss is required to be made.

2.28.3 Contingent Liabilities not provided for

Particulars	As at 31st March,	As at 31st March,
	2013	2012
	Amount (Rs)	Amount (Rs)
Performance Guarantees/Bid Bond given by banks to company's customers / government authorities etc.	43,129,526	44,531,855
Disputed Income Tax	4,084,208	1,326,668
Total	47,213,734	45,858,523

2.28.4 Capital and other commitments not provided for

Particulars	As at 31st March,	As at 31st March,
	2013	2012
	Amount (Rs)	Amount (Rs)
Contract remaining to be executed on capital accounts	-	13,641,200
Total	-	13,641,200



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

2.28.5 Disclosure as required by Accounting Standard AS-18 'Related Party Disclosure' in respect of transactions for the year.

A Key Management Personnel :

Dr. Sharwan Kumar Mittal
Mr. M L Mittal
Mr. Mayank Mittal
Mr. Sushil Radheyshyam Sharda
Mr. Raj Kumar Jain
Mr. N Balasubramaniam
Mr. Sumit Kumar Modak
Venkateshwara Rao Kandikuppa

B List of related parties who can exercise control

Gaji Mercantile Pvt. Ltd. (Holding Company)
Gyan Shankar Investment & Trading Co. Pvt.Ltd.

C Transactions with related parties during the year are as follows:

Sr No.	Particulars	As at 31st March,	As at 31st March,
		2013	2012
		Amount (Rs)	Amount (Rs)
1	<u>Receipt of Share Application Money</u>		
	Gaji Mercantile Pvt. Ltd.	-	300,000,000
2	<u>Receipt of Unsecured Loan</u>		
	Gaji Mercantile Pvt. Ltd.	500,000	25,500,000
3	<u>Receipts of Inter Corporate Deposits</u>		
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	14,900,000	-
4	<u>Repayments of Inter Corporate Deposits along with Interest</u>		
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	49,071,803	-
5	<u>Repayment of Share Application Money</u>		
	Gaji Mercantile Pvt. Ltd.	26,000,000	-
6	<u>Interest Paid/Provided on Intercorporate Deposits</u>		
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	3,671,803	3,670,028
7	<u>Salaries and other allowance paid to:</u>		
	Dr. Sharwan Kumar Mittal	900,000	900,000
	Mr M L Mittal	3,300,000	1,237,500
	Mr Mayank Mittal	2,539,596	2,083,330
	Mr. Sushil Radheyshyam Sharda	2,332,800	2,304,000
	Mr. Sumit Kumar Modak	1,810,822	-
	Venkateshwara Rao Kandikuppa	2,023,478	-
8	<u>Balance outstanding at the end of the year:</u>		
	Gaji Mercantile Pvt. Ltd.	-	25,500,000
	Gyan Shankar Investment & Trading Co. Pvt. Ltd	-	30,500,000



Bharat Wire Ropes Limited

Significant accounting policies and notes forming part of Accounts for the year ended 31st March, 2013

D Earnings in Foreign Currency

Particulars	31-Mar-13	31-Mar-12
	Amount (Rs)	Amount (Rs)
Export of Goods (On F.O.B. basis)	137,084,241	83,028,598
Total	137,084,241	83,028,598

2.28.8 Disclosure as per new amendments in Schedule VI in respect of Micro Small & Medium Enterprises Development Act, 2006:

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2013. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

2.28.9 Figures for the previous year have been re-grouped/re-classified wherever necessary.

As per our report of even date attached

For Sureka Associates
Chartered Accountants
Firm Registration No:110640W



Suresh Sureka
Partner
Membership No:34132



Date : 02 SEP 2013
Place : Mumbai

For and on behalf of the Board of Directors



Director

Director

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608
EMAIL: surekas@vsnl.com

FORM NO. 29 B
[See rule 40B]

Report under section 115JB of the Income-tax Act, 1961, for computing the
book profits of the company

1. We have examined the accounts and records of **BHARAT WIRE ROPES LIMITED having Permanent Account No. AABC2180N**, engaged in the business of Manufacturing of Wire & Wire Ropes, in order to arrive at the book profit during the year ended on the 31st March, 2013.
2. We certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115JB of the Income-tax Act, in respect of the assessment year 2013-14 is Rs.4,333,098/- which has been determined on the basis of the details in Annexure A to this Form.
3. In our opinion and the best of our knowledge and according to the explanations given to us, the particulars given in the Annexure A are true and correct.

For SUREKA ASSOCIATES
Firm Registration No. 110640W
Chartered Accountants

Suresh Sureka
Partner
Membership No. FCA 34132



Place: Mumbai
Date : 2nd September, 2013

ANNEXURE A (FORM - 29B)
[See paragraph 2 of Form 29B]

Details relating to computation of Book Profits for the purposes of section 115JB of the Income Tax act, 1961.

1	Name of the assessee	BHARAT WIRE ROPES LIMITED
2	Particulars of address	A-701 TRADE WORLD KAMALA CITY, S. B. MARG, LOWER PAREL (WEST), MUMBAI 400013
3	Permanent Account Number	AABCB2180N
4	Assessment Year	2013-14
5	Total income of the company under the Income Tax Act	(8,746,217)
6	Income-tax payable on total income	-
7	Whether profit and loss account is prepared in accordance with the provisions of Parts II and III of Schedule VI to the Companies Act, 1956. (1 of 1956)	YES
8	Whether the profit and loss account referred to in column 7 above has followed the same accounting policies, accounting standards for preparing the profit and loss account and the same method of rates for calculating depreciation as have been adopted for preparing accounts laid before the company at its Annual General body meeting. If not, the extent and nature of variation be specified.	YES
9	Net profit according to profit and loss account referred to in (7) above.	21,657,097
10	Amount of net profit as shown in profit and loss account as increased by the amounts referred to in clauses (a) to (f) of Explanation of sub-section 2 of this section.	-
11	Amount referred to in item 10 as reduced by the amounts referred to in clauses (i) to (vii) of Explanation of sub-section 2 of this section. Dividend Exempt Under section 10(34) & 10(35)	-
12	Books profit as computed according to Explanation given in sub-section (2).	21,657,097
13	18% of 'book profits' as computed in 12 above	4,006,563
	18.5% of item 12	200,328
	Surcharge @ 5%	126,207
	Education Cess @ 3%	4,333,098
14	In case income-tax payable by the company referred to at Sl. No. 6 is less than 18.5% per cent of its book profits shown in column 12, the amount of income-tax payable by the company would be 18.5% of column 12, i.e., as per (13).	4,333,098

