



# rethinking the corporation

bmw industries limited | annual report 2019-20

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**forward looking statement:** in this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take 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 'anticipate', 'estimate', '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 realised, although we believe we have been prudent in assumptions. the achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. should known 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 keep 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.

## rethinking the corporation

the world is at inflection point.

a number of things that we  
took for granted are being re-  
appraised.

how we live. how we work.  
how we entertain. how we  
engage with people.

we believe that the sum of  
these new priorities will affect  
the quantum and use of the  
products and services we offer.

not just for the next few  
months. but for times to  
come.

this overarching change in  
responses is inspiring us to  
think of a completely new way  
of doing business.

*we are not just rethinking our  
processes. we are rethinking  
our corporation.*



# what you need to know about bmw industries limited

## rich experience

bmw industries limited was established in 1981. the company has leveraged steel processing experience across more than three decades in to emerge as a significant industrial group.

## promoters

the company's operations have been driven by **mr. rg bansal** for nearly four decades. the senior management of the company comprises **harsh** and **vivek bansal** supported by experienced professionals. more than 70% of the company's equity capital was owned by the promoters towards the end of 2019-20.

## scale

the company periodically enhanced its manufacturing capacity and product range to fulfill its objective: 'to be able to provide our customers with as much as they want, whenever they want and whatever they want.' the company is one of india's largest steel processing companies; it is one of the leading secondary steel product

manufacturers in india; it possesses one of the largest cold rolling and continuous galvanising plants in the sector in India.

## diversified product basket

the company manufactures two types of products: longs (structures and tmt) and flats (pipes, galvanised & plain and pickled & oiled hr coils, cold rolled sheets, plain galvanised sheets & corrugated galvanised sheets). these address the needs of customers in the construction, automobile and consumer durable sectors.

## manufacturing facilities

**argori** (bengal): the company manufactures thermo-mechanical treatment bars, poles and structures; the location also comprises a flat product service centre.

**ghusuri** (bengal): manufactures mild steel pipes (large and small diameter).

**manifit** (jharkhand): specialises in high precision slitting for special tubes,

hr and crore coils, as well as hr blanking for the auto industry; the location also houses corrugation equipment to process galvanised steel sheets.

**adityapur** (jharkhand): comprises cut-to-length machines; engaged in processing specialty flat products.

**gamharia** (jharkhand): engaged in processing flat products. unit possesses a pickling line, reversing mill and continuous galvanisation line provided.

## customers

the company addresses the manufacturing conversion needs of one of india's largest steel companies; the relationship has endured across more than a quarter of a century. the company caters to their needs of secondary steel products used by various downstream sectors (construction and building, infrastructure, engineering, automobiles, consumer durables, agriculture and water transportation).

## brand

the company markets proprietary products under the '**bansal super**' brand. the brand is respected for durability, service and a superior price-value proposition.

## employee base

the company had on its payroll 705 full-time employees, 782 contractual workers and 20 senior management as on march 31, 2020. the average age of the company's workforce was 37 years as on that date.

## credibility

the company maintained its credit rating at **a-** since 2017.

## listing

the shares of bmw industries limited are listed on the calcutta stock exchange and bombay stock exchange. its market capitalisation was ₹246.47 as on 31st march, 2020.

## business segments

### conversion

hot-rolled sheets and coils  
hot rolled pickled coils  
pipes  
galvanised plain coils  
galvanised corrugated sheets  
full-hard cold-rolled coils  
thermo mechanical treatment bars

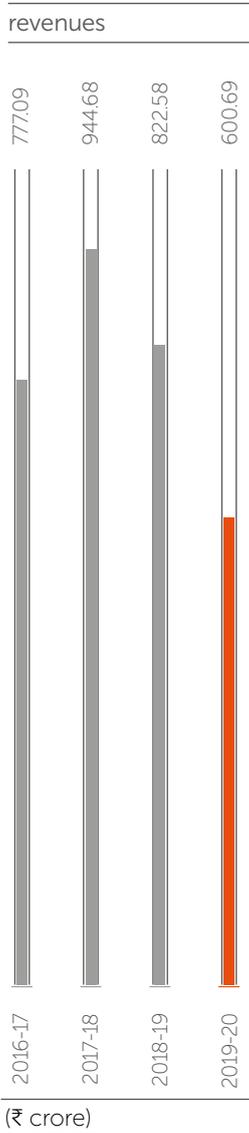
### proprietary business (b2b)

towers and poles  
tubes  
rolling mills (structural)

### proprietary business (b2c)

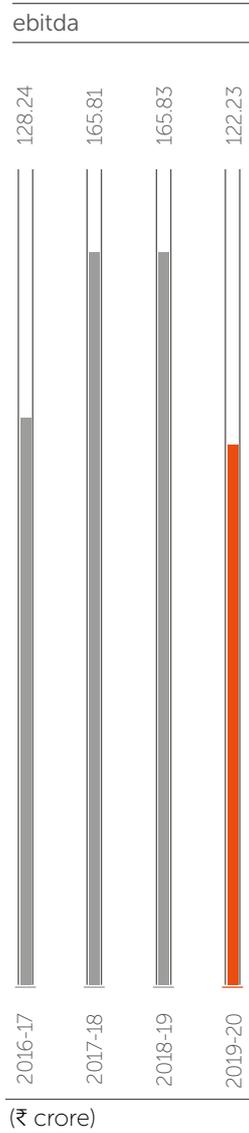
thermo mechanical  
treatment bars

## our performance over the years



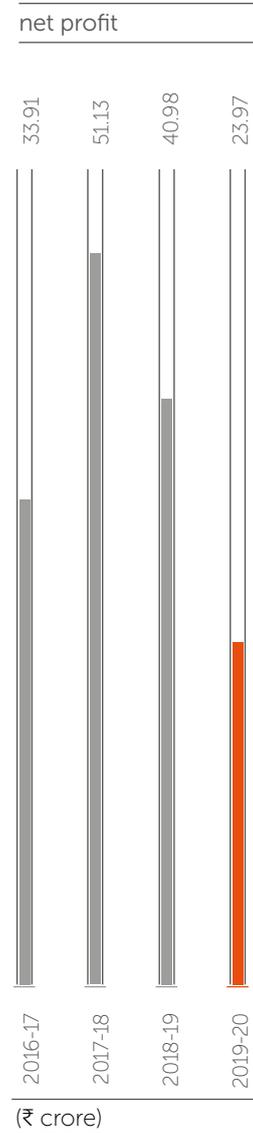
**performance, 2019-20**  
 aggregate sales declined 27% to ₹221.89 during 2019-20 following a weakening in demand and the customer's increased priority in doing quality business.

**value impact**  
 the decline in revenues provided the company with a lower amortisation base, affecting margins and surpluses.



**performance, 2019-20**  
 the company's ebitda declined 26% due to lower revenues and sluggish market conditions.

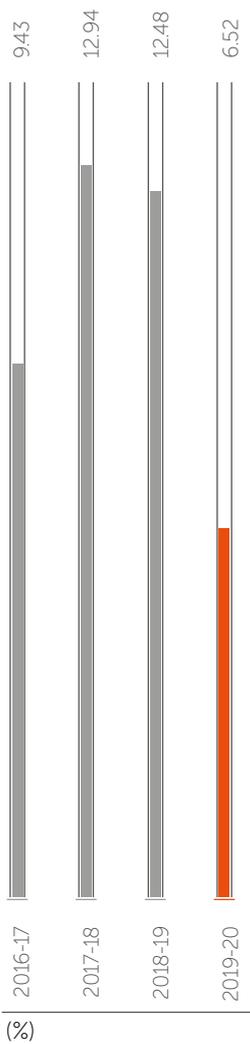
**value impact**  
 the company's ebitda was adequate to sustain debt repayment and other costs of staying in business



**performance, 2019-20**  
 the company's pat declined 42% over the previous year

**value impact**  
 a decline in pat was a reflection of market weakness and the company's decision to engage in selective business

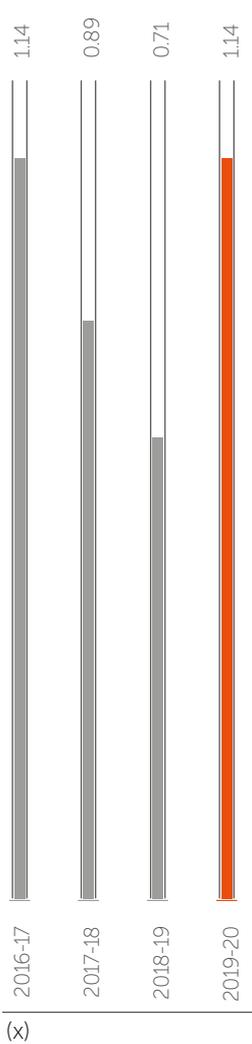
roce



**performance, 2019-20**  
the roce of the company declined 596 bps over the previous year on account of sectorial challenges

**value impact**  
the company's roce was higher than the sectorial average on account of financial prudence and business selectivity.

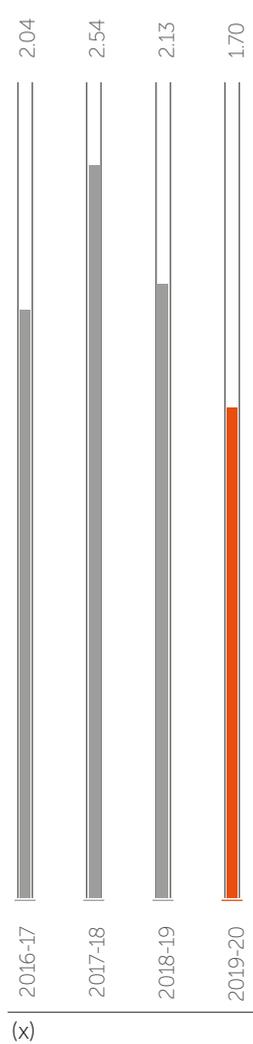
debt-equity ratio



**performance, 2019-20**  
the company's debt-equity ratio stood at 1.14 during the year under review on account of debt repayment and selective capital expenditure.

**value impact**  
a low debt-equity ratio enhances financial hygiene and credit rating which, in turn, provides adequate room to borrow afresh and lower coupon rates

interest cover



**performance, 2019-20**  
the interest cover of the company weakened on account of weaker profits (which was more pronounced than the decline in debt).

**value impact**  
the company's interest cover was higher than the sectorial average, indicating superior competitiveness



chairman's overview

## some of the most precious lessons of life and business i learned during the pandemic

▪ i intend to start my overview for this year by not talking about steel, industry and economy but talking about the pandemic and what it has taught me.

i refer to the pandemic in a joking way as 'kindergarten' for the number of lessons enforced upon us that we would have deferred for decades.

### inter-connectedness

for years, we believed that our actions alone influenced our performance. the pandemic has taught us that virtually everyone in the world is inter-connected in some way or the other and that the butterfly effect (a small change in one part of the world having an exaggerated impact in another) is not an exaggeration but a reality.

### virtual distancing

for years, we called people over to our office or flew across cities to spend an hour to negotiate deals and business. for every one hour of those meetings we consumed nearly 17 hours of travel. in our endeavour to earn more, we wasted our most precious resource (time). the pandemic has

taught us that the same thing can be done without moving out of one's home, quite literally.

### think the unthinkable will happen

if someone had asked me 'what is the worst that can happen to the world?' as recent as last year, i would have said 'third world war.' what has happened has scared the world far more, touched most people on the planet, destroyed more wealth and reduced humankind to an unprecedented hopelessness. this experience has taught me that truth is stranger than fiction.

### blink and you are gone

if someone had asked me the kind of time it could take for a company that had survived 50 years to go bankrupt and disappear for reasons not linked to obsolete technology, i would have said 'a couple of years'. a number of businesses became irrelevant in just one month of the pandemic. this reality has taught me that anything can happen anytime anywhere and to anyone.

### humility over ego

the pain that has been felt following the pandemic has been universal. the wealthy have been as affected as the weak; the mighty are passing through a similar existential crisis as the meek. my lesson is that the humility of running a quality business outlasts the ego of running a quantum business.

### camouflage

during this pandemic, there is a feeling that things will never improve (though some people discuss things with the optimism as if a vaccine under development is round the corner, or one might be, by the time this goes to print). asset deflation is extensive. the global economy will de-grow. and yet, something tells me that the big lesson for all of us is that opportunity often comes wearing the overalls of a disaster. this could be the beginning of a new world.

### outcome

during the days of old – my way of referring to everything before march 2020 – we chased growth, pursued growth and planned for growth. the last few months have taught me that growth is not an aspiration; it is an outcome.

### more with less

when the world was normal, we generally did more with more. once the lockdown was imposed, we spent more time with the family, engaged in enriching conversation, conducted our business through remote locations and did a fair amount of work without stepping out of home. the lesson is: the biggest limitation is not in the market; it is in the mind.

### embrace the difficult

some of the most sweeping changes in our life we have implemented or embraced in the last few months – without complaint. like working for weeks on end from home. like wearing a

mask when stepping out of home. like drawing out a plan to not travel through the year. my learning is that when we have choice, we make few changes. when we have no choice, we adapt fastest. as harivansh rai bachchan said: *'mann ka ho to achcha; na ho to aur bhi achcha.'*

these life learnings that i gained through the pandemic will influence the way we grow our business from this point onwards. the **bmwil** of the future will be nimbler, broad-based, more positive, lighter and more de-risked to address different market cycles. it will be respected for the quality of its business, margins and return on capital cum time employed.

**rg bansal**, *chairman*

**the bmwil** of the future will be nimbler, broad-based, more positive, lighter and more de-risked to address different market cycles. it will be respected for the quality of its business, margins and return on capital cum time employed.



## rethinking our personality



## our new priorities

### **rote**

a greater openness to evaluate return on time employed (**rote**) as a critical determinant of whether the company should enter a business or not

### **rationalising presence**

a greater openness to shedding businesses and customers that are not adding value to the company's profitability

### **ebitda focus**

a greater focus at appraising whether we need to be in a business based on a hurdle **ebitda** being generated – with no ambiguity

### **asset-liability matching**

a greater insistence on matching a business likely to generate revenues only in the medium-term with medium-term debt, a prudent asset-liability balance

### **respect for contingent liabilities**

a need to extend beyond the prevailing ebitda and appraise a business or an investment after factoring probable contingent liabilities, resulting in holistic and de-risked decision-making

### **black swan-preparedness**

a greater willingness to enhance 'black swan' awareness as a precursor to discuss corresponding preparedness when formulating a long-term business direction

### **contrasting complements**

a willingness to appraise entry into non-synergic businesses with completely different cyclical and market pulls, making it possible for some revenue engines to fire when others may be temporarily under-performing

### **irreplaceable value**

a deeper focus in providing an irreplaceable value to the customer by extending from products to end-to-end solutions with a wider presence across the value chain

### **organisational agility**

a deeper understanding of the quality of people resources, with the objective to identify high-performers, fast-track their responsibility, accountability and growth

### **systemic investment**

a commitment to invest in people management with the objective to enhance motivation, delegation and accountability

### **economy**

a focused approach towards generating more from less through prudent investments in automation, systems and catalysts

### **customer selectivity**

a growing willingness to appraise customers on the basis of how they enhance our business sustainability through ethical conduct, repeat engagement and remunerative trade terms

### **responsibility**

a deeper resolve to play the role of a community catalyst in and around the locations of our presence, complementing the role of the government in widening the circle of local welfare and prosperity

## our initiatives

### cost austerity

we intend to moderate our costs more extensively than the anticipated decline in revenues in 2020-21

### debt-light

we repaid ₹75 crore in a sluggish 2019-20; we intend to repay a similar quantum during the current financial year.

### extending debt repayment tenure

we intend to de-risk our business through a negotiated extension in our debt tenure – from an average 12 months to 36 months that reduces our repayment pressure and enhances fiscal stability

### working capital mix

we expect to enhance the role of net worth in our working capital mix to 75%

across the foreseeable future, enhancing the role of patient capital in lubricating our business growth

### frozen capital spending

we have frozen all our capital spending, selecting to enhance the utilisation of our existing assets to their maximum; we believe that this asset sweating approach will prove roce-accretive

### ring-fencing

we need to protect the integrity of our **balance sheet** even as we seek to invest in new business opportunities to broadbase our revenue mix. we believe this can be best achieved through investments in special purpose vehicles and subsidiaries (wholly-owned or step down) in

which we hold majority stakes, making it possible to grow those businesses through challenging phases without affecting integrity of the parent company's balance sheet. the company also wound up or merged defunct group companies with the objective to simplify its organisational structure

### leverage relationships

we will continue to deepen our relationships with our principal customer, one of india's largest steel companies. we will seek to address a larger wallet share by addressing a wider spectrum of opportunities from within that company's opportunity universe

### governance

we are deepening investments in governance

through a restructured internal audit discipline and a compliance system that provides superior compliance visibility

### business balance

we will continue to grow our business around a 70-30 blend of manufacturing conversion and proprietary brand-driven products.

### asset-light

we intend to market our branded products first before deciding to manufacture; we will outsource the manufacture, combining low operating expenditure on the one hand with asset lightness.

we intend to pursue an asset-light strategy for the marketing of our products, focussing to invest instead on the creation of a brand.

## our desired outcomes

### revenue rightsizing

we expect to right-size our revenues through a conscious 15% reduction, aligning our revenue quality and mix completely in line with our desired business direction

### margins expansion

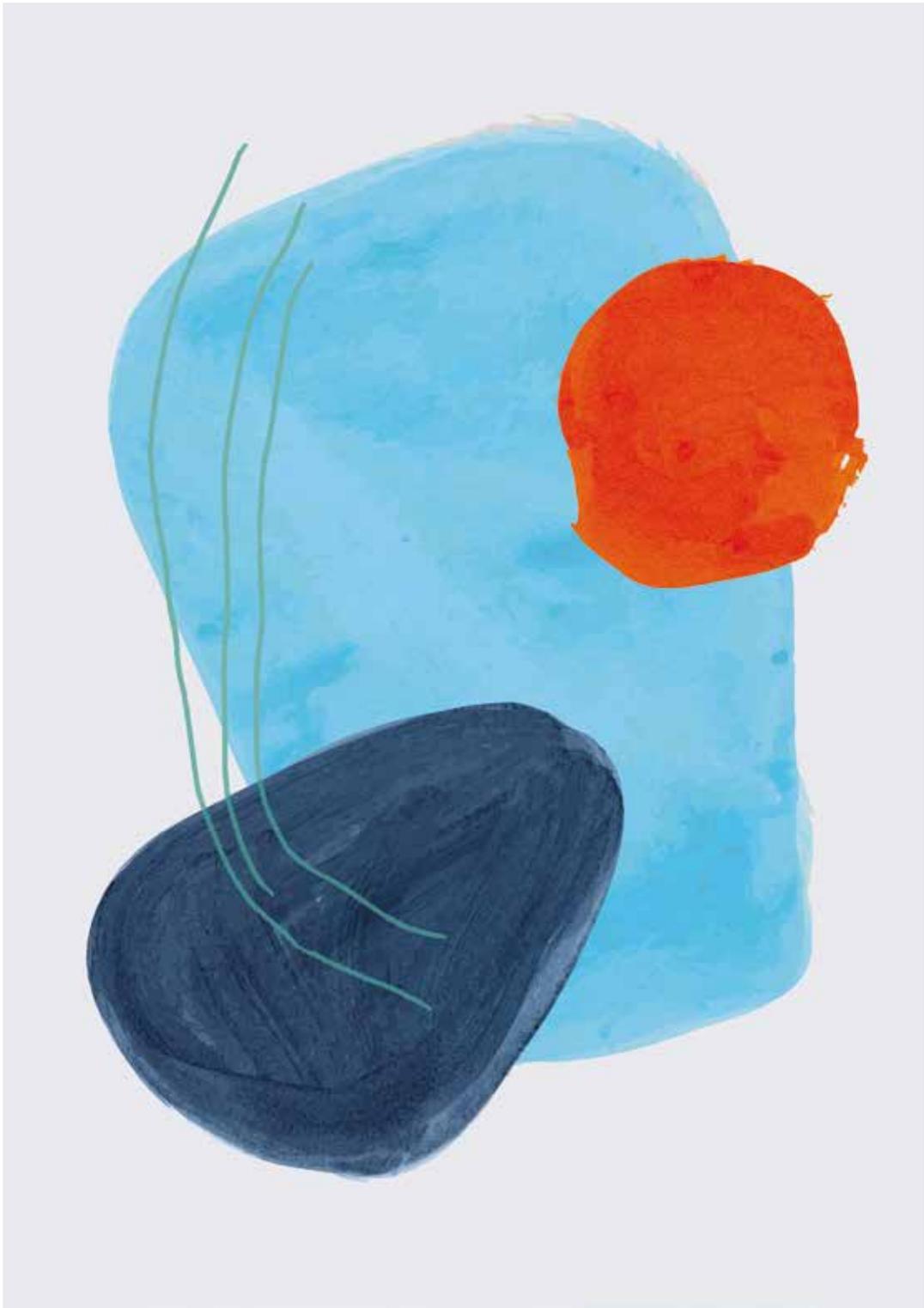
we believe that our desired business mix should generate a best-in-category ebidta margin that is at least 500 bps higher than what we generated in 2019-20

### debt free

we intend to emerge completely free of long-term debt in the next couple of years; a high proportion of net worth-funded working capital should make us a largely liquid organisation across the foreseeable future

### roce increase

the combination of asset lightness, capacity utilisation and value-added grades should generate a healthy increase in our roce



# bmwil and the covid-19 impact

## the outbreak of the pandemic

the covid-19 pandemic is the most defining global crisis in living memory. the virus was declared a global pandemic by the **world health organisation** in march 2020. the indian government implemented a national lockdown in late march 2020, which covered the comprehensive closure of offices, factories and public places.

## bmwil's responsiveness

bmwil moved with speed in temporarily shutting its offices and manufacturing facilities.

the impact of a decline in offtake during march 2020 affected the performance during the fourth quarter of 2019-20. the lockdown extended into the first

quarter of the current financial year, which affected the company's capacity to manufacture, market and distribute. the company's partly resumed manufacturing operations in may 2020. cash flows were affected during the lockdown; the company engaged with its principal and arrived at an understanding of periodic payments, which protected cash flows.

## how bmwil protected stakeholders during the covid-19 pandemic

### primary customers

maximised precautions during product delivery	work-from-home for the customer service team	sanitised product delivery vehicles
-----------------------------------------------	----------------------------------------------	-------------------------------------

### employees and workers

initiatives to protect mental, physical and financial well-being	high workplace safety like temperature check at the entrance / sanitation standards	delivered laptops and desktops to employees at their residence
smooth transition to working from home	periodic electronic video communication calls	information technology team supported the business with no latency

### investors

sustained focus on shrinking receivables and enhancing liquidity	focused on debt and cost rationalisation
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### community

ran free community kitchens at our kolkata and jamshedpur plants to feed the underprivileged.
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# governance at the heart of our company's sustainability

at bmwil, it would be simplistic to state that we are in the business of steel processing and manufacture; we are principally in the business of trust.

we believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers lend debt and why communities support us. over the years, we have invested in enhancing this trust quotient through various initiatives that have been described in this document.

our product is marketed around the unspoken and unwritten understanding that whoever buys will not need to test; that whoever buys can be assured that the products will endure across the decades, and that whoever buys it will save money or make money. the subject of trust is relevant and critical because the integrity of our product needs to be tested across the long-term; the cost of product replacement can be high in the case of quality under-delivery; the cost of product under-delivery can lead to loss of property and life.

## governance at the apex

at bmwil, we believe that the core of one's intention is enshrined in how we pursue and address the subject of governance: just a ticking of the boxes to address a communication need in the annual report or a philosophy to be lived. at our company, which is family-promoted and family-managed, we have evolved the subject to enhance professionalism where executives are provided authority coupled with accountability, where promoters see their roles as trustees of shareholder wealth and where the management of the company is aligned around enunciated principles.

## our ethical pedigree



### vision

bmwil aspires to be an organisation which would be admired globally. it aims to improve the value and quality of life of all the stakeholders who are associated with the company through sustainable industrial and business development.



### mission

- spirit of entrepreneurship and innovation
- an optimum utilisation of resources
- sustainable eco-friendly procedures
- the highest level of ethics and standards
- the hiring, developing and retaining of high-performing employees
- the maximisation 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

doing things the right way

at bmwil, we believe that governance is really about doing the right things the right way. this combination enhances organisational predictability, stability and consistency. in turn, this clarity makes it possible to attract like-minded stakeholders (resource providers, dealers, customers, employees and financial partners) who strengthen the stability of our ecosystem. this is visibly validated by the fact that a large proportion of our employees, dealers and debt providers have remained with us for years.

### health, safety and environment

at bmwil, we believe that one of the manifestations of our trust-driven culture is an impeccable health, safety & environment track record. this record is secured by priorities, investments, compliances and certifications that make our operations safe for people, communities and the environment.

### ecosystem

at bmwil, we believe we are only as strong as our ecosystem. the result is that our focus has deepened in addressing the needs of all our stakeholders – employees, vendors, customers, community, shareholders and the government – in a sustainable way. as an extension, we leave adequate value on the table for our stakeholders to benefit from our relationship, re-invest in their business and possess adequate capacity to service our growing needs. we have hence replaced the longstanding lowest-bidder-wins mindset with one that appraises holistically around a long-term orientation. we believe that an ecosystem of like-minded partners is one of the strongest drivers of our sustainability.

### process-driven

at bmwil, we believe that growth can be best derived when the promoter charts out a strategic direction and leaves day-to-day management to professionals. the company deepened investments in processes and systems, especially information technology. processes were secured through checks and balances.

### think long-term

at bmwil, we have selected to build our business around long-term patience and resource commitment. this approach has influenced our capital allocation (across assets, technologies, brands, people, locations, products and trade partners). this has extended our decisions from the opportunistic short-term to thinking whether the decisions we make today will continued to be validated a decade down the road. on account of this, we have resisted an arbitrage-driven mindset to one seeking to build long-term value.

### singular focus

at bmwil, we believe that core competence represents the biggest insurance against a cyclical downturn. in view of this, we have selected to position ourselves not as much as a large integrated steel company as much as a knowledge-driven efficient steel conversion company. our processing competence has been leveraged to manufacture longs and flats of varying diameters, thicknesses, grades and applications. this focused positioning has enhanced our strategic clarity and attracted competent professionals.

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### **data-driven**

at bmwil, we are increasingly a data-driven organisation that draws information from across every aspect of our operations, compared with retrospective averages, converted into benchmarks and used as a basis for informed decision-making.

### **controlled growth**

at bmwil, we believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. in line with this conviction, the company has allocated accruals into incremental investments and debt moderation, de-stressing the balance sheet. the result is that the company has moderated debt every single year across the last five years.

### **board of directors**

at bmwil, we believe that our strategic direction is largely influenced by our board of directors. in view of this, we have placed a premium on our board composition, which comprises professionals and industrialists of standing. these individuals have enriched our values, experience, multi-sectorial business understanding and strategic quality.

### **balanced approach**

at bmwil, we blended strategic aggression and tactical conservatism. we focused on debottlenecking-driven capital investments with an attractively short-term payback, maximising cash flows over mere paper profits and reinvestments into the business. the measure of our strategic balance is an attractively low gearing and our ability to largely fund business growth through accruals. going ahead, we will seek asset-light opportunities where we outsource product manufacture and also sell-to-make (as opposed to make-to-sell).

### **culture of excellence**

at bmwil, 'good' is never good enough. we invested in a culture of excellence and emerging as the sectorial benchmark in terms of quality (product and process) as well as resource productivity leading

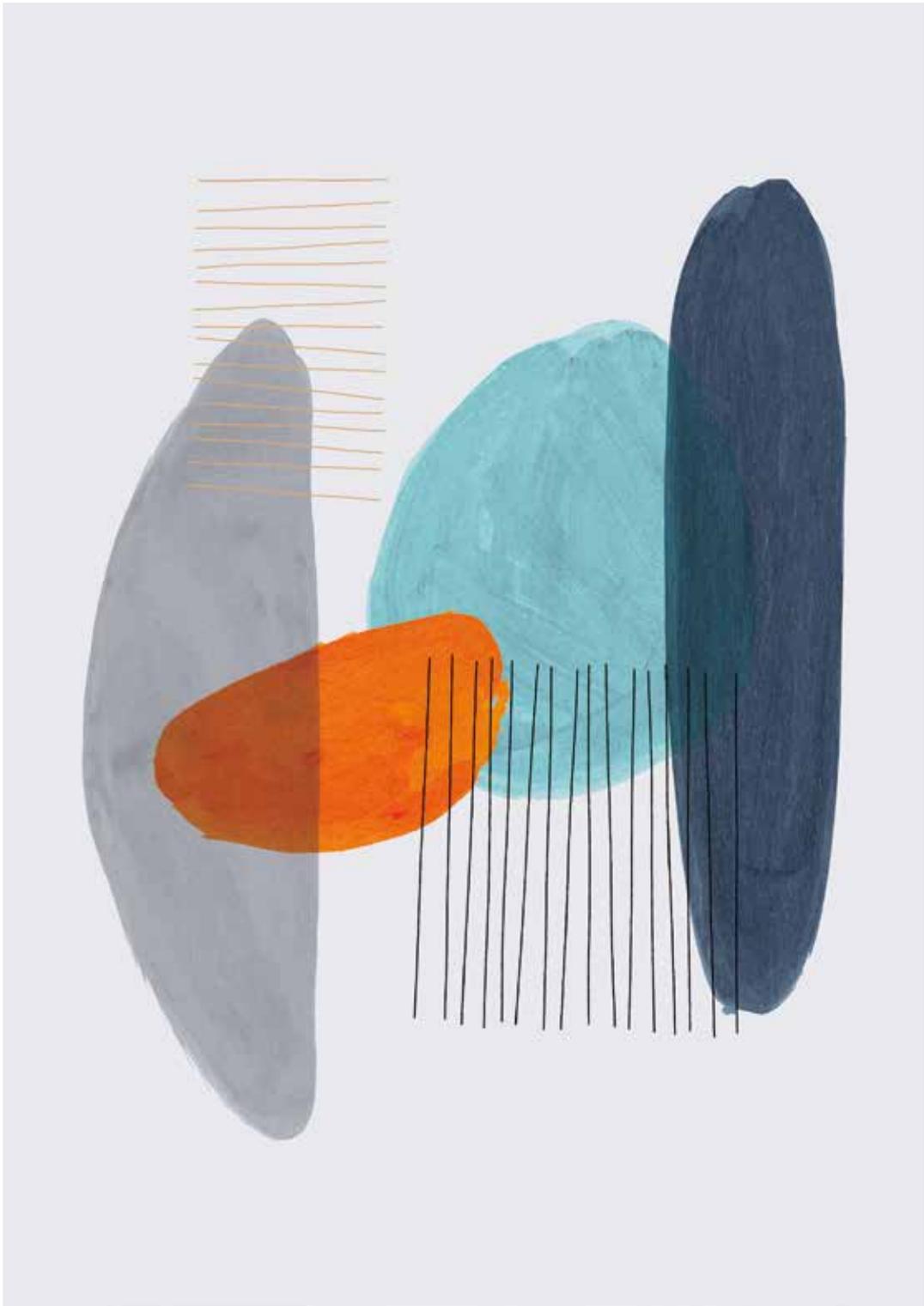
to effective cost austerity and business sustainability across market cycles. we made prudent investments to enhance manufacturing efficiency (optimal input-output ratios) while seeking to invest in processes that conserve time and material use.

### **systems and technologies**

at bmwil, we invested in systemic predictability through the implementation of sops on the one hand and technologies on the other. we invested in **sap**, smart phone apps, cutting-edge manufacturing technologies and systems to capture and report information. we invested in knowledge capturing technologies with the objective to replace role dependence on individuals to systemic reliance.

### **audit and compliance-driven**

at bmwil, we strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers. the result is that the company has not incurred statutory penalties in its existence. our process automation in the area of compliances has graduated us from a paper-driven to digital discipline marked by alerts and a stagewise escalation of issues.



## how we live the governance culture at bmwil



**the** quality of our governance is reflected in the fact that **cgl-1** and **cgl-2** lie within the premises of our largest customer, one of india's most respected integrated steel companies. the plant that we have within bmwil is referred to as 'cgl-3'. the fact that our customer refers to our plant as cgl-3 is an index of our trusted multi-decade relationship.

**abhishek agarwal**, *Chief Financial Officer*

**at** bmwil, we are driven by the objective to strengthen the skill-sets of our employees. this explains why our training calendars are always full – through in-house training and deputation to various tata companies - so that an employee whose skill rating may have been 2 at the time of joining rises to 5 in a short period of time.

**sameer ujjwal**, *chief, quality*

**bmwil** provides a workplace that assures that we would be able to send the worker back just the way that the person came to the plant. this is the result of an overarching culture that puts people and their safety first.

**inderjeet sagar**, *chief – operation and safety, nh6*

**our** safety policy enhances worker security. this has generated a confidence that '*agar ek rupiya kum kamaa liye phir bhi chalega, magar kaam ek dum surakshit hona chaahiye!*

**avijit kumar**, *manager – safety nh6*

**when** we see any worker lackadaisical about safety, we make him call a loved one at home and question them about whether he needs to wear his helmet and other protective gear or not. thus, safety becomes ingrained in their culture and not just at the office.

**avijit kumar**, *manager – safety nh6*

**when** i joined bmwil at 21 more than a decade ago, i was the only female employee in the manufacturing facilities. even now, i am the only woman associated with the operational unit but there has not been a moment of discomfort. i have been accepted, nurtured and grown like anyone else in the bmw family. this will always be home to me.

**rashmi tiwari** – *chief of operations & process control (manifit)*

**in** our acid recycling plant, we treat acids produced in the pickling process as per the highest pollution management standards. the iron is safely extracted and residual acid is re-used in the pickling process – an effective 're-use, reduce and recycle' mantra. the process is cost negative for the company, but environmentally positive.

**alok singh** – *crm operation manager and manager – pickling operations, safety and pollution*

**at** bmwil, we don't wait for operating equipment to show signs of malfunction for someone to attend to it. we attend to the equipment proactively. machine *kharab hone ki naubat hi nahi aane dete!* the result is a high uptime.  
sanjeev kumar – *cgl 3 operations manager*

**we** feel safe in this plant. we are given thick shoes, thick gloves, goggles, helmets and jackets. if we forget to put these on sometimes, our seniors scold us. we feel assured to see that our management prioritises our safety.  
umesh yadav (*cgl maintenance, mechanical filter*)

**at** bmwil, safety is not something that we take for granted. we work on this virtually every minute, every day, every month. we document every process, we record every action, we review these actions, we create trend lines and we study these trend lines for hidden signals. we leave nothing to chance.  
inderjeet sagar, *chief-operation and safety, nh6*

**a** doctor is present inside our bmwil plant from 9 am to 5 pm supported by an ambulance (which we all wish we never have to use). we have regular free health checks. what else could we want?  
bhaskar gope (*cgl production*).

**ninety** five% people who work at bmwil are from other states. if so many people have left their own 'gaon-ghar' and are working happily for years, it must be a good place to work in, *hai na?*  
nagdev kumar singh (*foreman of 6 h i mill*)

**a** number of us at bmw came from a steel company. we were then used to doing 'unnees-bees' in quality in the larger interest of making a quick profit. but here things are so transparent that it took some time to register that we were in the same industry.  
alok singh, *crm operation manager*





## our stakeholder value-creation report, 2019-20

how we enhanced value in an integrated, inclusive and sustainable way

### Overview

the integrated value-creation report represents the cornerstone of corporate success.

integrated reporting explains how an organisation enhances value in a holistic and sustainable way. its impact extends across all stakeholders – employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers – and captures shifts from the ‘hard’ to ‘soft’ (non-financial data) that make it possible to appraise a company more comprehensively.

## our robust business model

at bmwil, we review, adapt and reinforce our business model. this proactive responsiveness during the challenging days of the steel sector’s slowdown has translated into attractive growth across market cycles.

### the context of our sector



#### rising population

india is the second-most populous country with a population of around 1.36 billion in 2019 and growing at >1% per year, the largest population increment anywhere.

#### rapid urbanisation

by 2030, approximately 40% of the population could reside in urban india from 34% today, creating an additional demand for 25 million affordable housing units.

#### increasing incomes

the nominal per-capita net national income during 2019-20 is estimated at ₹134,226, a rise of 6.8% compared to ₹126,521 during 2018-19.

#### rural prosperity

the rural market in india contributes to 65.5% of india’s population and 46% of income. government focus on rural india to increase housing and

infrastructure bodes well for the steel industry.

#### real estate

the indian real estate market is expected to grow from us\$ 120 billion in 2017 to us\$ 1 trillion by 2030 and would contribute 13% to india’s gdp. real estate attracted around ₹43,780 crore (us\$ 6.26 billion) of investments in 2019. also the increasing population pressure in tier I cities is leading to high rises and skyscrapers, which has resulted in an increase in the overall steel-to-cement ratio in construction in india.

#### infrastructure growth

in the union budget 2020-21, us\$ 1.41 trillion has been allocated for infrastructure development. private equity and venture capital investments in the infrastructure sector reached us\$ 14.7 billion in 2019. with the focus of boosting investment in infrastructure, the demand for steel is expected to grow.

(source: the hindu business line, invest india, inc42, the hindu centre, financial express, niti aayog)

## how we are capitalising on a growing opportunity



### **longstanding engagement**

the company is engaged in contractual manufacturing (conversion) for one of india's largest steel companies for more than 26 years, generating consistent revenues across market cycles.

### **brand recall**

the company grew its b2c business of tmt bars around the 'bansal super' brand. the company undertook extensive branding initiatives to increase the share of tmt bar revenues in the sales mix.

### **quality**

the company manufactured product of a highly consistent quality standard (across narrow tolerances), resisting the use of a lower price/quality of raw material to enhance profitability. the company's products are **bis certified**.

### **cutting-edge technology**

the company invested in a state-of-the-art cold rolling galvanised mill, which generated adequate

revenues and return on capital employed.

### **people retention**

the company reported employee retention of 84% in 2019-20 (senior managerial level 100%).

### **governance commitment**

the company is an ethical player, reflected in complete alignment with the certification and compliance needs of its business, no injury related to operations, workplace safety, zero liquid discharge facilities, commitment to customer interests and addressing statutory obligations.

### **deleveraged**

the company progressively deleveraged its balance sheet and grew its business through accruals and net worth.

### **go green approach**

the company invested in a hydrochloric acid regeneration facility aided by environment-friendly equipment, eliminating approximately 2,500 kilograms of effluent discharged. the recycled water was used in factory gardening.

### **listing**

the company was listed on bse in may 2019, enhancing its visibility.

## enhancing stakeholder value at bmwil



at bmwil, we believe that the interplay of value for our various stakeholders has translated into our business profitability and sustainability.

our employees represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, branding, sales & distribution, finance etc.). our focus is to provide an exciting workplace, generate stable employment and enhance productivity.

our shareholders provided capital when we went into business. our focus is to generate cash flow, growing roce and in doing so enhance value of their holdings.

our vendors provide credible and continuous supply of resources (steel) and services. our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability.

our customers keep us in business through a

consistent purchase of products, generating the financial resources to sustain our operations. our focus is to provide a diversified range of products (perfect blend of style, affordability and comfort) to our customers.

our communities provide the social capital (education, culture etc.). our focus is to support and grow communities through consistent engagement.

our government provides us with a stable structural framework that ensures law, order, policies etc. our focus is to play the role of a responsible citizen, serving as a role model.

at bmwil, we believe that the prudent interplay of the value generated by each and our consistent payback ensures business sustainability and the ability to enhance organisational value.

## Our overall value enhancement outcome

longstanding engagement with our principal



rich four-decade experience of the promoters



> one of the most respected steel converters in india



one of the lowest manufacturing costs



one of the lowest gearing within india's secondary steel sector

## enhancing value for our stakeholders

 <p>strategic focus</p>	 <p>vendor focus</p>	 <p>Shareholder focus</p>
 <p>key enablers</p>	<p><b>bmwil</b> selects vendors on their ability to supply adequate volumes at the highest quality</p> <p><b>the</b> company ₹2,291.40 crore of materials in the five years ending 2019-20</p>	<p><b>bmwil</b> generated ₹463.52 crore in cash profits in the five years ending march 31, 2020</p> <p><b>the</b> company moderated its debt by ₹280.53 crore during this period</p> <p><b>the</b> company enhanced its net worth by ₹140.62 crore during this period</p>
 <p>material issues / addressed</p>	<p><b>superior</b> use of cutting-edge technologies leading to differentiated solutions.</p>	<p><b>creating</b> the basis of long-term viability through a superior price-value proposition.</p>

customer focus



**bmwil** sold ₹1,804.30 crore of services to its largest principal in the five years ending 2019-20

**the** company marketed ₹1,870.49 crore of products to consumers during this period

**enhancing** revenue visibility through long-term relationship with pedigree institutional clients.

employee focus



**bmwil** is an employer of more than 705 people across 5 locations.

**the** average of the employees was 37 as on march 31, 2020

**nearly** 9% of employees had worked with the company for more than 15 years as on march 31, 2020

**creating** a professional culture seeking overarching excellence in everything the company does.

community focus



**bmwil** engaged in community-strengthening initiatives near its manufacturing facilities (west bengal and jamshedpur)

**the** company invested ₹1.14 crore in csr initiatives in 2019-20

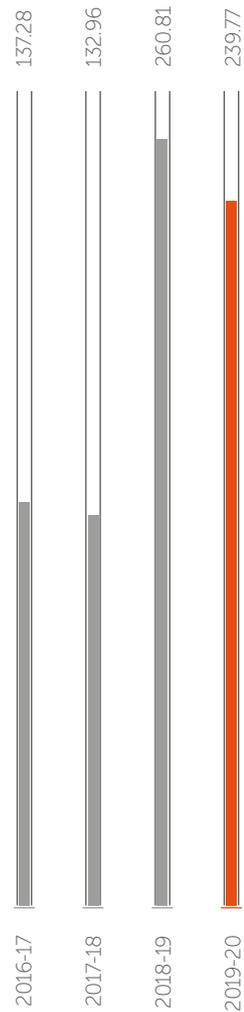
**the** company provided safe drinking water, food and clothes, education, healthcare, rural and urban infrastructure development, support programs for old-age homes, environmental protection and the promotion of traditional art and culture.

**focused** on education and related csr spaces..

## our value-creation trend lines

### employee value

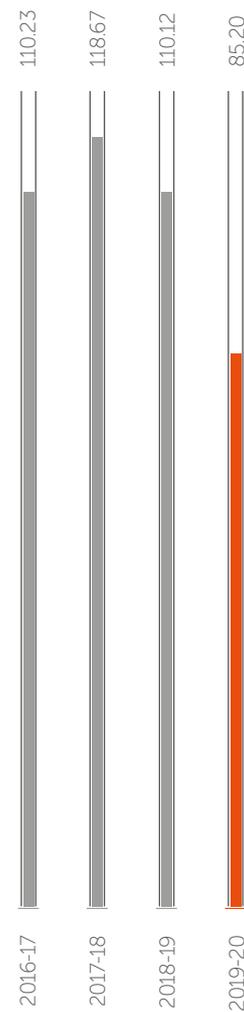
(₹ crore)



### salaries and wages

the company has invested a progressively larger amount in employee remuneration (except in 2019-20), underlining its role as a responsible employer

(₹ lakh)

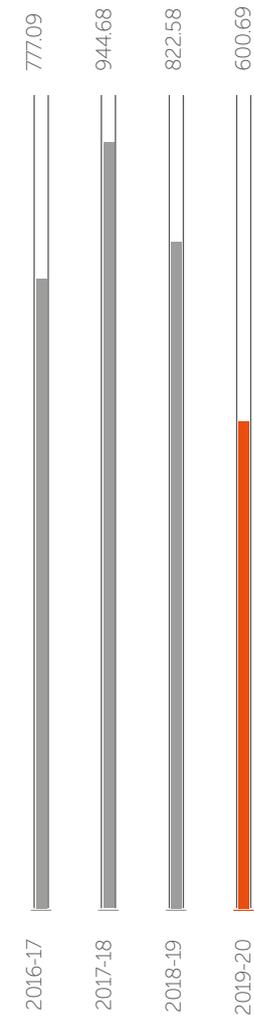


### revenue per person

the company's investment in its people (training, empowerment and career growth) translated into increased productivity as measured in terms of revenue per person (except in the last two years)

### customer value

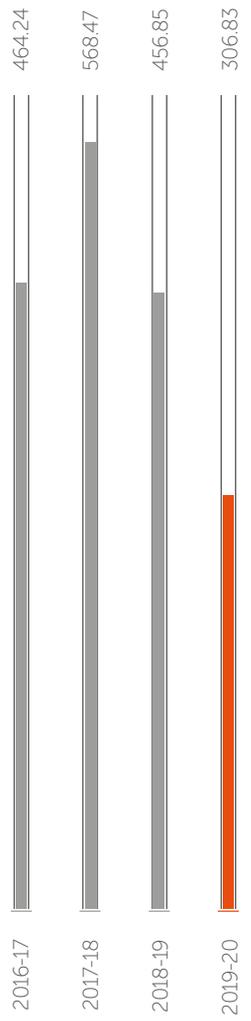
(₹ crore)



### revenues

the company has generated increased revenues, (except for 2018-19 and 2019-20), an index of the value created for customers

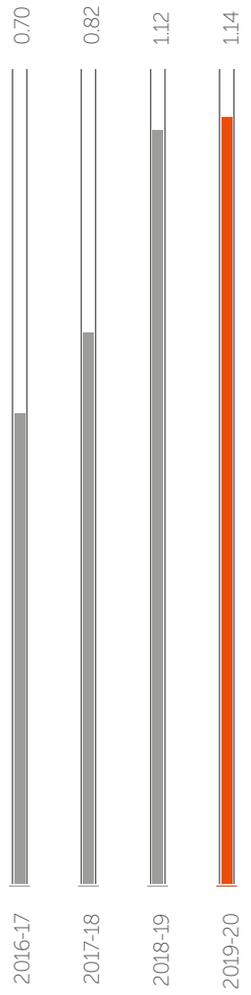
vendor value  
(₹ crore)



procurement

the company procured a larger quantum of resources through the years, strengthening procurement economies

community  
(₹ crore)



csr investment

the company enriched communities across its presence



## our tolling business

63%

share of overall revenues,  
2019-20

### overview

in 1992, the company embarked on processing primary steel into secondary steel for india's largest private sector steel company, addressing the increasing needs of downstream sectors. this mutually-beneficial engagement has grown multi-fold in 28 years by volume and revenue. the company has emerged as one of the most respected steel processing agencies secured by exclusive supply contracts with its principal across various products.



### win-win proposition

- the multi-decade engagement has resulted in steady long-term revenue assurance for bmwil and quality assurance for the principal
- the principal and bmwil engage as partners resulting in a cross-flow of technical expertise.
- the periodic introduction of new products and corresponding outsourcing has helped grow bmwil vertically and horizontally.
- the principal benefits from cost economies (not setting up a plant) while bmwil benefits from revenues visibility and remuneration stability.
- bmwil is a part of the principal's product development process; it has leveraged knowledge to move to a larger number of value-added products
- bmwil has developed capabilities to deliver consignments ranging from 400 tonnes to 20,000 tonnes
- bmwil's conversion business incurs a lower quantum of working capital, making it possible to allocate more resources in growing its proprietary business.

### highlights, 2019-20

the year under review was challenging for the steel industry due to a liquidity crisis and volatile international market which led to lower exports and weaker domestic demand. bmwil's longstanding relationship with india's largest private sector steel company ensured steady orders.

- generated ₹376 crore revenues, a 2% de-growth
- reported 95% capacity utilisation in the adityapur plant (80% previous year)
- produced more than 160,000 tonnes of galvanised steel sheets in the gamharia unit.
- signed an agreement with a client for processing full hard cold rolled steel sheets.
- installed an automated advanced slitting line in the manifit plant, designed to increase production and improve quality.
- installed a tc roll path in the argori unit for processing tmt bars to provide a better finish.
- extended the **cgl-3** gamharia outsourcing contract with the principal for a five-year tenure.

### outlook

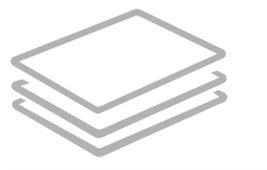
bmwil intends to focus on producing quality products for its principal, increasing capacity utilisation and growing its tolling business in the coming year.

## our proprietary business



### overview

bmwil leveraged its extensive knowledge of working as a processing partner for one of india's largest steel companies and extended to the manufacture of proprietary branded products in 2016. the company focused on growing this proprietary business, wherein it procured raw material, processed and marketed products on its own books. the proprietary business comprised sales to businesses and retail customers. while the b2b business comprised sales of bars, pipes and coils, b2c revenues were derived from the sale of bansal super tmt. the company's proprietary revenues represent a broad-basing of the company's customer, product and revenue mix.



### advantages of proprietary business

- the business moderates an excessive dependence on the conversion business
- the business provides the company with insights into marketplace realities, resulting in responsive product development or distribution
- the business provides the company with the opportunity to grow its brand around a superior bansal brand recall and penetrated distribution network (150 distributors) and quality (bis certified)
- the business provides the company with the opportunity to generate superior realisations corresponding to premium quality

### highlights, 2019-20

competition deepened in the open market during the year under review and the business was affected by pricing pressures. bmwil's strong brand and quality products generated an attractive traction.

- the company discontinued products (towers and structural rolling mill) to focus on the manufacture and marketing of tmt bars.
- the company extended its reach to 8 districts across west bengal (from five)
- the company commenced the manufacture of bansal pipes
- the business generated ₹224 crore in revenues, a 49% y-o-y de-growth
- the manufacturing facilities delivered 75% capacity utilisation (60% previous year)
- the business commenced the manufacture of rings for tmt bars (value-addition).

### outlook

the company will steady this business with a contribution of 30% to the overall revenue mix at a time when consumer demand is muted on account of the pandemic impact.

### 4 ways in which bmwil has evolved into a respected industry player



### 5 things that endured the relationship between bmwil and its largest principal customer across more than 25 years



# Our support functions

## distribution

presence across rural districts in west bengal	the company's rural sales (largely credit-driven) were affected on account of the nbfc-induced liquidity crisis	the company encountered weakness	bmwil appointed one representative in each district to supervise and enhance awareness for distributors and dealers.	the company protected bad debts by entering guarantee agreements with distributor.
the company organised dealer meets across bengal	the company organised influencer (architects and mason) meets for enhancing awareness of products and policies.	the company provided extra performance-linked incentives to channel partners.	the company generated 90% of b2c revenues from rural bengal.	

## marketing and branding

bmwil focused on increasing its brand recall	the marketing function established an emotional connect with consumers, strengthening product differentiation	the company entered into a conversion contract with a large government steel manufacturer to broad-based its presence across more principals	the company worked closely with customers to develop quality products
the company engaged in below-the-line (btl) media activations like wall paintings, wall wraps, signatures and hoardings to promote its brand.	the company sponsored local cricket and football matches in rural bengal	the company's sales team comprised 14 members with an average age of 34 – the mix of rich experience and enthusiasm.	



## manufacturing

the company's five state-of-the-art manufacturing plants are located in jamshedpur (three) and in west bengal (two)

the company's competence centred around a modest capital cost per tonne of invested equipment, high asset utilisation and high conversation efficiency

the company shifted its product mix towards tubes and galvanised products in a weakening economy

the company leveraged a strong management team possessing more than two decades of experience

the company's operations were secured through certifications (bis, is14001, is45001, iatf 16949:2016 and iso 2015)

the company invested in automated state-of-the-art equipment sourced from high-end manufacturers

the company invested in automated state-of-the-art equipment sourced from high-end manufacturers

the company invested in a new boiler (gamharia) and two cut-to-length machines (manifit) in 2019-20; it replaced legacy equipment (manifit) with large equipment for enhanced efficiency; invested in equipment to moderate heat loss and lpg consumption; investment in a capacitor bank helped improve the power factor; investment in a lock forming machine helped test galvanised soft steel; a modified and refurbished salt spray testing machine enhanced zinc coating on steel.



## information technology

over the years, bmwil invested in cutting-edge technologies to enhance operational efficiency.

the company upgraded its sap module for better reporting and accounting.

it migrated to microsoft office 365, a suite of cloud-based productivity and collaboration applications that integrates all microsoft's online applications.

the company invested in a software named komrisk for compliance management that centralises the compliance repository.

the company tied up with three prominent banks in india for releasing bulk online payments to vendors, ensuring timely payments.

the company registered with indiamart and steelmint for receiving industry updates leading to dependable price discovery.

the company implemented a cloud-based salary module, where employees' attendance is uploaded and the salary is automatically computed and posted into their bank accounts.

the company intends to implement gst e-invoicing and to build a smartphone application integrated with erp to capture real-time data from every department posted on cloud to update channel partners.



# management discussion and analysis

## global economic overview

the global economy grew 2.9% in 2019 compared to 3.6% in 2018, the result of an increase in trade disputes global and slowdown of the manufacturing sector, coupled with a global financial crisis and brexit.

the 'great lockdown' is projected to shrink global growth significantly in the foreseeable future. as a result of the novel coronavirus pandemic, the global economy is expected to de-grow in 2020. emerging markets and low-income nations across africa, latin america

and most asian regions face high-risks due to weaker health systems and densely populated cities. (source: world economic outlook, april 2020, cnn, economic times, trading economics, statista, cnbc)

## indian economic review

indian economy slowed down to 4.2% in 2019-20, compared to 6.1% in 2018-19. the nominal per capita net national income was estimated to be ₹135,050 in 2019-20, up 6.8% from ₹126,406 in 2018-19. india moved down 10 places to rank 68th on the annual global competitiveness index, largely due to improvements by other economies. retail inflation climbed to a six-year high of 7.59% in january, breaching the rbi's upper band of 6% while settling at 5.91% in march 2020.

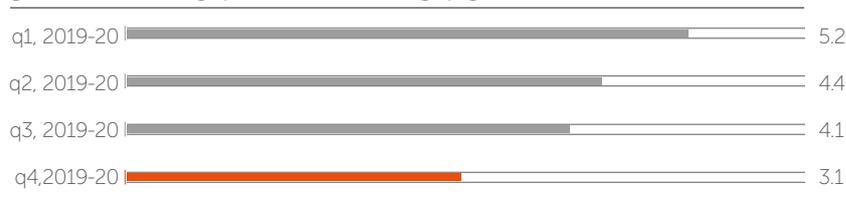
india emerged as the fifth-largest world economy in 2019, overtaking the uk and france with a gross domestic product (gdp) of \$2.94 trillion. india jumped 14 places to 63 in the 2020 world bank's ease of doing business ranking, riding reforms in seven areas and

a substantial bump-up from the insolvency law rolled out in 2016. the government slashed the corporate tax rate to 22% from 30% to promote investment; it announced a new tax rate of 15% for new domestic manufacturing companies, providing a boost to the make-in-india initiative.

the outbreak of covid-19 and the subsequent lockdown enforced in the country are expected to moderate rural and urban demand. to mitigate some of the negative effects the indian finance minister announced a ₹1.7 trillion relief package for the poor and migrant workers across the country. the government announced a slew of measures like direct cash transfer to farmers, hiking wages under the mgnrega scheme, and utilisation of welfare funds for construction workers to offset the adverse impact

on rural demand. the third tranche of the stimulus package aimed at india's rural economy (worth around ₹1 lakh crore) is intended to reinforce the rural economy, a substantial part of which will go into building a more modern and efficient agricultural infrastructure. it also ushered new laws to promote contract farming. the changes in the eca and creating a 'one nation one market' will allow private sector investment. besides, the focus on mgnrega is expected to strengthen rural incomes.

growth of india's gdp in 2019-20. real gdp growth (%)



(source: economic times, cso, economic survey, imf, rbi, franklin templeton, pib)

## indian steel industry overview

india is the second largest producer of steel and the largest producer of sponge iron or dri in the world. india is also the third largest finished steel consumer in the world after china and usa. india's finished steel production stood at 102.059 million tonnes in 2019-20. the coal-based route accounted for 86% of total sponge iron production (37.143 mt) in the country in 2019-20 (provisional). in 2019-20, crude steel production declined from 110.92 million tonnes in 2018-19 to 108.50 million tonnes.

the steel sector contributes over 2% to the gdp and employs 500,000 people directly and 2.5 million indirectly. india's steel production capacity has expanded rapidly over the past few years, growing at a cagr of 8.71% from 59.84 million tonnes in 2007-08 to 142 million tonnes in 2018-19. india's finished steel consumption was estimated at ~ 100.01 million tonnes in 2019-20. india's per capita consumption of steel grew from 46 kgs in 2007-08 to 74.6 kgs (rural india 10-15kgs) in 2019-20. india's low steel consumption partly reflects limited urbanisation but also indicates the high potential that exists. india exported 8.36 million tonnes and imported 6.77 million tonnes of finished steel in 2019-20. (source: business standard, economic times, ibef, steel.gov.in, cnbc)

## production (in million tonnes)

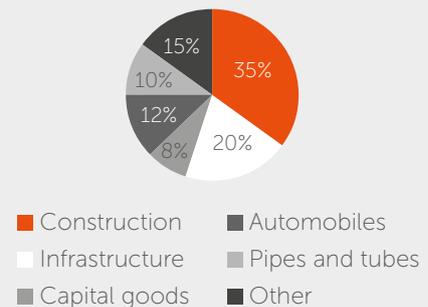
category	2015-16	2016-17	2017-18	2018-19	2019-20
pig iron	10.24	10.34	5.73	6.41	5.51
sponge iron	22.43	28.76	30.51	34.71	37.14
total finished steel	106.60	120.14	126.85	101.29	102.06

(source: steel.gov.in)

year	exports (in million tonnes)	imports (in million tonnes)
2015-16	4.08	11.71
2016-17	8.24	7.23
2017-18	9.62	7.48
2018-19	6.36	7.83
2019-20	8.36	6.77

(source: steel.gov.in)

## sector wise steel consumption in india

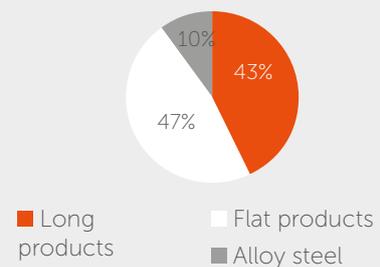


## consumption of finished steel (million tonnes)

year	consumption
2013-14	74.10
2014-15	76.99
2015-16	81.52
2016-17	84.04
2017-18	90.68
2018-19	97.50
2019-20	101.01

(source: ibef, financial express)

## share of long, flat and alloy steel



(source: care ratings)

## capacity and production of crude steel

year	working capacity (in million tonnes)	production (in million tonnes)	utilisation (%)
2015-16	12.971	89.791	74
2016-17	128.277	97.936	76
2017-18	137.975	103.131	75
2018-19	142.236	110.921	78

(source: pib)

## sector-expanding government initiatives

**pradhan mantri awas yojana:** under this initiative the government aims to build 1 crore houses by 2022, of which ~104 lakh houses have been sanctioned till date and

>32 lakh houses have been completed. this is estimated to drive the real estate sector and in turn, the steel sector in the near future.

**preference for domestic products:** the policy provides preference to domestically manufactured

steel products from the public and private sectors in government procurement. even in a mix comprising imported and domestic steel, the imported portion should separately meet the minimum prescribed value addition criteria of

15%. the policy provides preference to domestically manufactured iron and steel products valued at ₹50 crore or more in government procurement.

**scrap recycling policy:** the steel scrap recycling policy aims to reduce imports,

conserve resources and save energy and will ensure processing and recycling of products in an organised, safe and environment friendly manner, besides evolving a responsive ecosystem and producing high quality ferrous scrap for quality steel production minimising the dependency on imports. the efficient use of scrap for steel production becomes very crucial for india as 35-40% share has been envisaged from scrap-based steel production in the journey

of 300 million tonnes per annum by 2030. this shall increase requirement of steel scrap from around 30 million tonnes to more than 70 million tonnes by 2030.

**smart cities:** the government of india launched the smart cities mission in 2015. since the launch of the mission around 5,151 projects worth more than ₹2 lakh crore are being implemented in 100 cities. out of which 4,154 scm projects worth ₹1.49 lakh crore (72% of the total proposals)

have been tendered, of which 3,359 projects worth ₹1.05 lakh crore (51% of total proposals) have been issued work orders and 1,290 projects worth ₹22,569 crore have been completed and are operational.

**national infrastructure pipeline:** the nip was launched by the government on december 31, 2019. nip would include 6,500 projects of total capital expenditure at over ₹10.2 trillion during 2020-25.

### steel research and technology mission:

the ministry of steel is facilitating setting up of an industry driven steel research and technology mission of india (srtmi) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of us\$ 30 million.

(source: business line, economic times, equity master, care ratings)

### budgetary initiatives

the housing and urban affairs ministry outlay touch ₹50,039.90 crore in union budget 2020, a nearly 18.39% increase from the revised estimate of ₹42,266.72 crore for 2019-20.

the outlay for the pradhan mantri awas yojana stood at ₹27,500 crore as against the revised estimates of ₹25,328 crore in 2019-20, an 8.5% increase.

the government allocated ₹13,750 crore for the smart cities mission and amrut for 2020-21 against ₹9,842 crore in 2019-20, a 40% increase.

### optimism for the steel industry

#### housing shortage:

according to ministry of housing and urban affair, there was an affordable housing shortfall of approximately 10 million houses.

**urbanisation:** by 2030, approximately 40% of the population could reside in urban india from 34% today, creating an additional demand for 25 million affordable housing units; which in turn will boost steel demand.

**increasing incomes:** the nominal per-capita net national income during 2019-20 was estimated at ₹135,050, a rise of 6.8% compared to ₹126,406 during 2018-19. (source: mospi)

(source: the hindu centre, financial express, niti aayog)

### company overview

bansal mechanical works pvt. limited was established in 1981. the company changed its name to bmw industries limited in june, 1999 and emerged as a prominent industrial group in eastern india. the company has a diversified product and service portfolio which ranges from tubular poles and structures and tmt bars to providing steel servicing centre and infrastructural services. the company possesses india's largest steel processing capacity and is considered to be one of the biggest tube manufacturers in eastern india and one of the largest cold rolling and continuous galvanising plants in the sector.

### financial analysis, 2019-20

bmw industries limited followed the accrual basis

of accounting under the historical cost convention. its accounts were prepared on the basis of accounting standards as per section 133 of the companies act, 2013, read with rule 7 of the companies (accounts) rules 2014.

### balance sheet

- borrowings for 2019-20 stood at ₹236.74 crore compared to ₹312.16 crore during 2018-19
- total non-current assets for 2019-20 stood at ₹522.49 crore compared to ₹537.85 crore in 2018-19

### profit & loss statement

- revenues decreased by 47% from 822.58 crore in 2019-20 to 600.9 crore in 2018-19.
- ebitda decreased to ₹122.23 crore in 2019-20 compared to ₹165.83 crore in 2018-19
- profit after tax increased/decreased 42% from ₹23.97 crore in 2019-20 to ₹40.98 crore in 2018-19

- total expenses for 2019-20 stood at ₹583.48 crore compared to ₹783.72 crore in 2018-19

- depreciation and amortisation stood at ₹45.48 crore in 2019-20 compared to ₹46.24 crore in 2018-19

### working capital management

- current assets as on march 31, 2020 stood at ₹428.94 crore compared to ₹501.63 crore as on march 31, 2019
- current ratio as on march 31, 2020 stood at 1.50 compared to 1.39 as on march 31, 2019
- inventories decreased from ₹210.90 crore as on march 31, 2019 compared to ₹207.15 crore as on march 31, 2020
- current liabilities stood at ₹286.20 crore as on march 31, 2020 compared to ₹360.49 crore as on march 31, 2019
- cash and bank balances stood at ₹10.18 crore as on march 31, 2020 compared to ₹11.37 crore as on march 31, 2019

## key numbers

particulars	2019-20	2018-19
ebidta/turnover	20.35	20.16
ebidta/net interest	3.69	4.57
debt-equity ratio	1.14	0.71
return on equity (%)	4.40	7.86
book value per share (₹)	24.21	23.16
earnings per share (₹)	1.07	1.82

## risk management

risk	implication	measure	impact
44% of our overall revenues are derived from one customer.	the attrition of this customer could affect the company's stability and sustainability	the company's longstanding relationship with the principal across the decades ensures steady revenues. 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 decreased from 53% in 2016-17 to 37% in 2019-20
there is a premium on the prudent allocation of business surpluses	a misallocation could affect viability especially as the quantum, of investment could be large	the company used the major part of its accruals to pay debt and deepen the distribution network of its proprietary business.	the company expects to be value-accretive: debt reduction will strengthen gearing and profits; a deeper distribution network will enhance sales and profits.
high debt on the company's books	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	debt-equity for the year stood at 1.14 compared to 0.71 in 2018-19; interest stood at 1.70 during the year under review.
the steel sector could pass through an extended slowdown	this slowdown could affect the company's growth.	the conversion business has been relatively cycle-neutral as the company works for one of india's largest private sector steel companies. the company 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.
increase in raw material costs	this could affect profitability in the conversion and proprietary businesses.	the company receives the raw material from its principal conversion customer which insulates it from a variation in raw material costs. the company was further protected from a variation in zinc costs by the partner during the year under review.	the company focused exclusively on efficient conversion without assuming the risk of material inflation in its conversion business.



### internal control systems and their adequacy

the internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. it is an integral part of the general organisational structure of the company and group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. the board of directors offers its guidance and strategic supervision to the executive directors and management, monitoring and support committees. the control and risk committee and the head of the audit department work under the supervision of the board-appointed statutory auditors.



### human resources

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



### cautionary statement

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

# Directors' Report

*Dear members*

Your Directors are pleased to present the 38th (Thirty-Eighth) Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2020.

## 1. FINANCIAL HIGHLIGHTS

(₹ in lakh)

Details	STANDALONE		CONSOLIDATED	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Income from Operations	61507.68	84703.99	63070.74	85522.34
Profit before Depreciation, Finance Cost and Tax	12223.47	16583.02	12482.20	16767.27
Depreciation	4547.59	4623.60	4732.38	4680.33
Finance Costs	4516.24	5626.93	4551.05	5627.28
<b>Profit Before Tax</b>	<b>3159.64</b>	<b>6332.49</b>	<b>3198.77</b>	<b>6459.76</b>
Tax Expenses	762.57	2234.51	994.54	2280.46
<b>Profit after Tax</b>	<b>2397.07</b>	<b>4097.97</b>	<b>2204.23</b>	<b>4179.30</b>
Other Comprehensive Income	(35.55)	17.73	(36.92)	20.96
Total Comprehensive Income	2361.52	4115.70	2167.31	4200.26

## 2. FINANCIAL PERFORMANCE HIGHLIGHTS & STATE OF COMPANY'S AFFAIRS

The Company achieved a gross income of ₹ 61507.68 Lakh as against ₹ 84703.99 Lakh in the previous financial year on standalone basis. The profit before tax was ₹ 3159.64 Lakh as against ₹ 6332.49 Lakh in the previous year and profit after tax was ₹ 2397.07 Lakh as against ₹ 4097.97 Lakh in the previous year on standalone basis.

The Company achieved a gross total income of ₹ 63070.74 Lakh during the year on consolidated basis as against ₹ 85522.34 Lakh in the previous year. The profit before tax during the year on consolidated basis was ₹ 3198.77 Lakh as against ₹ 6459.76 Lakh in the previous year. The profit after tax during the year on consolidated basis was ₹ 2204.23 Lakh as against ₹ 4179.30 Lakh in the previous year.

The Company continues to retain the overall growth in the turnover and the profit of the Company driven mainly for increase in volume in TMT Bar segment, increase in volume of structurals, sections for engineering, infrastructure and automotive sectors with a steady growth in volume of job work business with

its institutional partners. The Company is strengthening B2C (TMT Bars) segment through spending aggressively on advertisement and brand establishments. Besides, efficiency improvement and cost optimization have been followed across all the functions of the organization.

There are no material changes or commitments affecting the financial position of the Company which has occurred between the end of financial year and the date of Report.

## 3. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2020 the Company has eleven (11) subsidiaries. The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company. The Annual Financial Statements of the subsidiaries and related detailed information will be made available to Members seeking information at

any time. They are also available on the website of the Company at [www.bmwil.co.in](http://www.bmwil.co.in).

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 and marked as "Annexure-I". 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.

#### **4. COVID-19 IMPACT:**

##### **(i) OPPORTUNITIES AND THREATS**

The entire market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the economy. We believe the investments we have made, and continue to make in our strategy will enable us to tackle these market conditions.

##### **(ii) OUR STRATEGY**

We have successfully shifted to work from home (WFH) model, thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity. Management is extremely happy with our approach of managing services through WFH infrastructure, employee engagement, and work monitoring reporting-review mechanisms. BMWIL highlights responsiveness on Pandemic disruption highlights need for operational resilience and enterprise adaptability and also looking for market share expansion.

##### **(iii) OUTLOOK, RISKS AND CONCERNS**

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The pandemic has impacted, and may further impact, all of our stakeholders, employees, clients, investors and communities we operate.

Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets and cause demand compression. In the immediate aftermath, enterprises are expected to downscale current investments, defer planned initiatives, cut costs and conserve cash. While this could inject volatility into revenue growth, the company expects to gain market share from ensuing vendor consolidations. Demand is expected to increase for services around digital channels, collaboration and workplace transformation, online learning and workforce analytics.

Some of our clients' business operations may be negatively impacted due to the economic downturn – resulting in postponement, termination, suspension of some ongoing projects or reduced demand. Restrictions on travel may impact our ability to assign and deploy people at required locations and times to deliver contracted services, thereby impacting our revenue and / or profitability. These are forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Your Board is cautiously optimistic about the future outlook taking into overall view of the above. Your company has engaged HR Team to study the current status of our Infrastructure, security, policies, procedures and associated risks due to the current change to WFH delivery model and advice on measures to mitigate the risks identified.

#### **5. CYCLONE AMPHAN IMPACT:**

Cyclone Amphan on 20th May, 2020 with maximum wind speed of 145 mph, was the strongest cyclone over the Bay of Bengal in the 21st century. Amphan was more economically damaging than the previous cyclones. There is no doubt that the coronavirus pandemic coupled with this devastating cyclone will continue to wreck havoc on our industry growth. Our two (2) plants situate at NH6 and GT Road is mostly affected.

#### **6. DIVIDEND**

The Board of Directors of the Company not declared any dividend for the financial year 2019-20. No final dividend for the financial year 2019-20 is recommended.

#### **7. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

#### **8. TRANSFER TO GENERAL RESERVE**

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

#### **9. SHARE CAPITAL**

The paid up Equity share capital of the Company as at 31st March, 2020 stood at ₹ 22,50,86,460. 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, 2020, 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.

## 10. 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.

## 11. 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, 2020.

## 12. 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.

## 13. DIRECTORS & KEY MANAGERIAL PERSONNEL

### (a) 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 Vivek Kumar Bansal (DIN: 00137120) shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr Vivek Kumar 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. Vivek Kumar 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.

### (b) 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.

## 14. 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.

## 15. 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.

## 16. 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 (ID) 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 said policy is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

## 17. 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 is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

## 18. 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, 2020 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.

## 19. THE BOARD OF DIRECTORS AND COMMITTEE

### (i) 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.

### (ii) 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.

## 20. 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.

## 21. 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.

## 22. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors are satisfied with the adequacy of the internal control system in force in all its major areas of operations of the Company. The Company has an external firm of Chartered Accountants as Internal Auditors to observe the Internal Controls, whether the work flows of organization is being done through the approved policies of the Company and similar matters. Internal Auditors present its report to the Audit Committee. The audit committee assists the board of directors in monitoring the integrity of the financial statements and the reservations, if any, expressed by the company's auditors including, the financial, internal and secretarial auditors and based on their inputs, the board is of the opinion that the company's internal controls are adequate and effective.

The Audit Committee reviewed the physical and digital risks and controls around scenarios arising on account of COVID-19 and the Company's assessment of the impact of COVID-19 on various items of the financial statement ending 31st March, 2020. The Committee also reviewed accounting judgments and other matters in light of COVID-19.

## 23. 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 said policy is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

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- II" to this Report.

## 24. 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 –III".

## 25. AUDITORS

### (i) 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.

Auditor's Report on the Financial Statement for the financial year ended 31st March, 2020 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.

### (ii) COST AUDITORS

The Board of Directors of the Company appointed M/s Samar Dhar and Associates, Cost Accountants, ( Firm Registration Number 101762) as Cost Auditors of the Company for the financial year 2020-21 in accordance with Section 148 of the Companies Act, 2013 read with the Companies ( Cost Record & Audit) Rules 2014 at a remuneration of Rs. 1,00,000/- 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.

### (iii) 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 2019--20. The Report of the Secretarial Audit is annexed herewith as "Annexure IV".

The Board of Directors had duly considered the adverse remark made by the Secretarial Auditor in their Secretarial Audit Report for the financial year 2018-19 and initiated requisite steps to rectify the same. This explanation was inadvertently omitted to be mentioned in the Directors Report for the financial year 2018-19. As regards non-filing of MGT -14, necessary application for condonation of delay has been made with the Central Government and the form will be filed as and when condonation is granted.

### (iv) INTERNAL AUDITORS

Chunder Khator & Associates, Chartered Accountants are appointed by the Board of Directors as the Internal Auditor of the Company for FY 2019-20. The Report of the Internal Audit is placed before Audit Committee and Board of Directors.

## 26. 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 is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

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

## 27. 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 which forms an integral part of this Annual Report is enclosed as "Annexure – V". The extract of the Annual Return of the Company can also be accessed on the website of the Company at <https://www.bmwil.co.in/annual-return/#1572427178222-6c12e39f-5f49af22-6f85>

## 28. 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 VI" and forms part of the Report.

## 29. 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 behavior, 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 Audit Committee regularly reviews the complaints received. The said policy is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

During the year under review, no complaints have been received /reported.

## 30. 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 and marked as "Annexure- VII".

## 31. 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. The said policy is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

## 32. CERTIFICATE ON CORPORATE GOVERNANCE

As per the Regulation 34(3) read with Schedule V of the Listing Regulations a separate section on Corporate Governance Practice followed by the Company together with a certificate from practicing Company Secretary confirming compliance 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.

## 33. 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.

## 34. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report (BRR) of the Company as required pursuant to the Regulation 34 (f) of the SEBI Listing Regulations, annexed herewith and marked as "Annexure VIII" forming part of this report and the same is also available at Company's website at [www.bmwil.co.in](http://www.bmwil.co.in)

## 35. 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 and marked as "Annexure IX"

## 36. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

As per the Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from practicing Company Secretary confirming that none of the Directors on the Board of the BMWIL for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities

and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority and a copy thereof is contained elsewhere in this Annual Report and marked as "Annexure X"

### 37. RISK MANAGEMENT POLICY

BMWIL has identified a suitable approach and framework for risk management which meets its business, legal and regulatory requirements. The management has decided to adopt the same framework for entire organization. It has an efficient board with representatives from all functional team and a representative of the senior management team leads the group. Your Company attaches utmost importance to the assessment of internal risks and the management thereof in all its dealings. The Company is constantly on the lookout for identifying opportunities to enhance its enterprise value and keeping the need to minimize the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved and then approved at different levels in the organisation before implementation.

Based on severity level of the risk, corrective action is identified and implemented with prior approval from the risk owners and Top Management, wherever applicable. Controls are identified in the Risk Assessment and Risk Treatment. The first step in risk assessment procedure is to identify the list of information and critical information assets in each function. After identification, these information assets are identified with the Owner and they are classified based on the functions.

Your company has adequate system to manage the financial risks of its operations. The system is implemented through imposition of checks and balances of customers, audits like internal audit, statutory and secretarial audit, all of which are periodically carried out through external firms and by adequate insurance coverage for the company's facilities.

### 38. 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.

### 39. HUMAN RESOURCES

Your company continues to enjoy cordial relationship with its personnel at all levels and focusing on attracting

and retaining competent personnel and providing a holistic environment where they get opportunities to grow and realise their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

Your company is organizing training programmes wherever required for the employees concerned to improve their skill. Employees are also encouraged to participate in the seminars organized by the external agencies related to the areas of their operations.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder. Executive members of the Board of Directors of the Company are authorised to redress complaints received regarding sexual harassment. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this policy. The said policy is available on the website of the Company at <https://www.bmwil.co.in/corporate-codes-and-policies/>

During the year under review, the Company received one complaint which was investigated and appropriate action was taken. No complaint is pending as at the end of the financial year.

### 41. CAUTIONARY STATEMENT

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations etc. are based on reasonable assumption, the actual results might differ.

### 42. 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**

*Chairman*

DIN: 00144159

Place: Kolkata

Date: 13/11/2020

## 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	Particulars	1	2	3	4	5	6	7	8	9	10	11
1	Name of the subsidiary	SAIL Bansal Service Centre Ltd.	BMW Iron & Steel Industries Ltd.	Nippon Cryo Pvt. Ltd.	Confident Financial Consultancy Pvt. Ltd.	Nageshwar Trade-Link Pvt. Ltd.	Perfect Investment Consultancy Pvt. Ltd.	Shri Hari Vincom Pvt. Ltd.	Siddhi Vinayak Commosales Pvt. Ltd.	Sidhant Investment Advisory Pvt. Ltd.	Fairplan Vintrade Pvt. Ltd.	Narayan Dealcom Pvt. Ltd.
2	Financial period ended	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
3	Exchange rate	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)	INR (in Lacs)
4	Share capital	800.00	405.03	88.50	29.30	37.00	30.40	32.90	29.50	49.80	39.40	42.20
5	Reserves and surplus	-608.63	1,651.93	20.01	1,430.04	1,762.76	1,308.70	1,528.70	1,395.59	2,389.05	1,849.80	2,020.54
6	Total assets	478.19	7,272.58	1,807.63	2,202.38	1,800.19	1,352.03	1,636.35	1,474.92	2,694.94	1,899.23	2,097.86
7	Total Liabilities	478.19	7,272.58	18,07.63	2,202.38	1,800.19	1,352.03	1,636.35	1,474.92	2,694.94	1,899.23	2,097.86
8	Investments	-	-	-	1,060.62	1,800.00	944.98	225.50	270.45	1,225.00	791.59	1,385.73
9	Turnover	249.70	5,132.66	2,272.40	-	-	-	-	-	-	-	-
10	Profit before taxation	48.43	435.69	-264.20	7.94	-0.03	-136.59	-40.85	0.00	-2.94	-42.44	1.97
11	Provision for taxation	12.13	872.90	2.58	1.81	-	-	-	-	-	-	0.44
12	Profit after taxation	36.30	-437.21	-161.61	6.13	-0.03	136.59	-40.85	0.00	-2.94	-42.44	1.53
13	Other Comprehensive Income	-1.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Total Comprehensive Income	34.92	0.00	0.00	6.13	-0.03	136.59	-40.85	0.00	-2.94	-42.44	1.53
15	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Percentage of shareholding	60.00	100.00	100.00	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

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

For and on behalf of the Board of Directors

**(Ram Gopal Bansal)**

*Chairman*

DIN: 00144159

**(Harsh Kumar Bansal)**

*Managing Director*

DIN: 00137014

Place: Kolkata

Date: 13/11/2020

**Abhishek Agarwal**

*Chief Financial Officer*

**(Vikram Kapur)**

*Company Secretary*

ANNEXURE-II

# Annual Report on Corporate Social Responsibility (CSR) Activities

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

**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 <https://www.bmwil.co.in/corporate-codes-and-policies/>

**2. The Composition of the CSR Committee as on 31st March, 2020**

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 ₹ 5,721.93 Lakh.

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

The prescribed CSR expenditure at 2% of the Net Profit as in Item No 3 above is ₹ 114.44 Lakh.

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

- a) Total amount to be spent for the FY 2019-20: ₹ 114.65 Lakh
- b) Amount unspent, if any: Nil
- c) Manner in which the amount spent during the FY 2019-20:

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 2018-2019	Amount spent direct or through implementing agency
1.	Vocational Training and Employment Opportunities for Differently Abled Young Adults	Enhancing vocational skills for Differently Abled Young Adults.	All over India	50.00	50.00	50.00	Anugarh Foundation
2.	Maintenance of Schools, Sponsoring education of poor children, School Building construction	Promotion Of Education including special education	Various parts of West Bengal, Jharkhand, other states.	2.65	2.65	2.65	Implementing Agency- Direct and through Sheo Bai Bansal Charitable trust, St. Joseph Leprocy Patient Society etc.

(₹ In lakh)

(₹ In lakh)

Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) The State and district where the project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period i.e. FY 2018-2019	Amount spent direct or through implementing agency
3.	Contribution for providing Nutrition to poor villagers and handicapped children of School, medical treatment of poor people, arrangement of medical facilities in villages	Eradication of Hunger, Poverty & Malnutrition Promoting & healthcare including preventive health care	West Bengal & Others	26.00	26.00	26.00	Implementing Agency- Kshetropasna, Bansal Foundation
4.	Contribution for providing Nutrition to poor villagers and handicapped children of School, medical treatment of poor people, arrangement of medical facilities in villages	Education, female child development, social economic development, health etc.	West Bengal & Others	36.00	36.00	36.00	Implementing Agency- Bansal Foundation
<b>Total</b>				<b>114.65</b>	<b>114.65</b>	<b>114.65</b>	

## 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.

Place: Kolkata

Date: 13/11/2020

**(Harsh Kumar Bansal)**

(DIN: 00137014)

*Managing Director & Chairman of CSR Committee*

# Conservation of Energy

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, 2020

## 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 2019-20, the Company has not imported any technology.

## C. Foreign Exchange Earnings and Outgo

Foreign exchange earned : Nil

Foreign exchange outgo : ₹ 2874.50 (Lakhs)

# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2020

[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, 2020, 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, 2020, 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 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- 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 and the Securities & Exchange Board of India (Buy-back of Securities) Regulations, 2018
- i) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").
- 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- (i) The Directors Report for the financial year 2018-19 does not contain explanation on on the qualification made by the Secretarial Auditors in their Secretarial Audit Report for the year ended 31st March, 2019;
- (ii) Form MGT 14 for resolution of the board of directors for appointment of Mr. Subhas Chandra Gupta as Whole Time Director of the Company has not been filed with Ministry of Corporate Affairs. The company is in the process of making an application for condonation of delay to the Central Government.

### 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 the annual remuneration during the financial year 2019-20 paid to promoter executive directors for the financial year ended 31st March, 2020 exceeds the limit as specified in Regulation 17(6)(e) of the Listing Regulations. The remuneration paid to executive directors for the financial year ended 31st March, 2020 is in excess of the limits specified under Section 197 of Companies Act, 2013. The Company shall obtain requisite approval of shareholders in the ensuing Annual General Meeting.

We further report that during the financial year 2019-20 the company has passed the following special resolutions:

- (i) Reappointment of Mr. Sunil Kumar Parik as Independent Director of the Company for a further period of five years from 25th September, 2019;
- (ii) Reappointment of Mr. Debasish Basu as Independent Director of the Company for a further period of five years from 25th September, 2019;
- (iii) Reappointment of Mr. Rampriya Sharan as Independent Director of the Company for a further period of five years from 25th September, 2019;
- (iv) Reappointment of Ms. Gayatri Singh as Independent Director of the Company for a further period of five years from 25th September, 2019;
- (v) Maintenance of Register of Members at the office of Company's Registrar and Share Transfer Agent (RTA), M/s ABS Consultant Pvt. Ltd. under Section 94 of Companies Act, 2013.

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**  
ACS no. 44522  
COP no. 17322

Date: 10.07.2020  
Place: Kolkata

FRN: P2010WB042700  
UDIN: A044522B000439345

## 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.

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown and continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.

**For MKB & Associates**  
*Company Secretaries*

**Neha Somani**  
ACS no. 44522  
COP no. 17322

Date: 10.07.2020  
Place: Kolkata

FRN: P2010WB042700  
UDIN: A044522B000439345

## ANNEXURE-V

**FORM NO. MGT-9**

Extract of Annual Return as on the financial year ended on 31st March, 2020

[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, Website: www.bmwil.co.in
vi.	Whether listed company	Yes on The Calcutta Stock Exchange Ltd & BSE Limited
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.	BMW Iron & Steel Industries Limited	U27109WB2005PLC102557	Subsidiary	100%	2(87)
3.	Nippon Cryo Private Limited	U27100JH2004PTC010686	Subsidiary	100%	2(87)
4.	Confident Financial Consultancy Pvt Ltd	U67190WB2008PTC124149	Subsidiary	100%	2(87)
5.	Perfect Investment Consultancy Pvt Ltd	U74992WB2008PTC124136	Subsidiary	100%	2(87)
6.	Sidhant Investment Advisory Pvt Ltd	U74120WB2008PTC122119	Subsidiary	100%	2(87)
7.	Siddhi Vinayak Commosales Pvt Ltd	U51909WB2008PTC129643	Subsidiary	100%	2(87)
8.	Shri Hari Vincom Pvt Ltd	U51909WB2008PTC129652	Subsidiary	100%	2(87)
9.	Narayan Dealcom Pvt Ltd	U51909WB2008PTC129649	Subsidiary	100%	2(87)
10.	Fairplan Vintrade Pvt Ltd.	U51909WB2008PTC129650	Subsidiary	100%	2(87)
11.	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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	8,30,12,080	-	8,30,12,080	36.88	8,30,12,080	-	8,30,12,080	36.88	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	7,47,30,139	-	7,47,30,139	33.20	7,47,30,139	-	7,47,30,139	33.20	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(1)</b>	<b>15,77,42,219</b>		<b>15,77,42,219</b>	<b>70.08</b>	<b>15,77,42,219</b>		<b>15,77,42,219</b>	<b>70.08</b>	<b>-</b>
<b>2) Foreign</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(2)</b>									
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>15,77,42,219</b>		<b>15,77,42,219</b>	<b>70.08</b>	<b>15,77,42,219</b>		<b>15,77,42,219</b>	<b>70.08</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>									
<b>2. Non -Institutions</b>									
a) Bodies Corp.	5,64,16,130	-	5,64,16,130	25.07	5,49,93,612	-	5,49,93,612	24.43	-0.64
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	32,98,000	58,111	33,56,111	1.49	44,04,089	55,911	44,60,000	1.98	+ 0.49
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	75,72,,000	-	75,72,000	3.36	78,90,629	-	78,90,629	3.51	+ 0.15
c) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total(B)(2)</b>	<b>6,72,86,130</b>	<b>58,111</b>	<b>6,73,44,241</b>	<b>29.92</b>	<b>6,72,88,330</b>	<b>55,911</b>	<b>6,73,44,241</b>	<b>29.92</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6,72,86,130</b>	<b>58,111</b>	<b>6,73,44,241</b>	<b>29.92</b>	<b>6,72,88,330</b>	<b>55,911</b>	<b>6,73,44,241</b>	<b>29.92</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>22,50,28,349</b>	<b>58,111</b>	<b>22,50,86,460</b>	<b>100.00</b>	<b>22,50,30,549</b>	<b>55,911</b>	<b>22,50,86,460</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters

Sl. No	Name of Shareholders	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)*			% 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	
	<b>Indian Promoter</b>							
	Individuals/HUF/Bodies Corporate							
1.	Ram Gopal Bansal (HUF)	5,93,750	0.26	-	5,93,750	0.26	-	-
2.	Pratiti Bansal	19,93,250	0.89	-	19,93,250	0.89	-	-
3.	Shalini Bansal	27,93,250	1.24	-	27,93,250	1.24	-	-
4.	Premlata Bansal	94,12,500	4.18	-	94,12,500	4.18	-	-
5.	Vivek Kumar Bansal	1,40,22,080	6.23	-	1,40,22,080	6.23	-	-
6.	Harsh Kumar Bansal	1,84,47,250	8.20	-	1,84,47,250	8.20	-	-
7.	Ram Gopal Bansal	3,57,50,000	15.88	-	3,57,50,000	15.88	-	-
8.	Bansal Engineering Works Pvt Ltd	18,00,000	0.80	-	18,00,000	0.80	-	-
9.	Dharmik Commotrade Pvt Ltd	31,25,000	1.39	-	31,25,000	1.39	-	-
10.	Encash Commercial Pvt Ltd	34,37,500	1.53	-	34,37,500	1.53	-	-
11.	Lakshya Compusoft Pvt Ltd	37,50,000	1.67	-	37,50,000	1.67	-	-
12.	Deep Goods Pvt Ltd	37,50,000	1.67	-	37,50,000	1.67	-	-
13.	Dharmik Tie up Pvt Ltd	38,75,000	1.72	-	38,75,000	1.72	-	-
14.	Paramatma Commercial Pvt Ltd	40,62,500	1.80	-	40,62,500	1.80	-	-
15.	Mahabali Goods Pvt Ltd	42,00,000	1.87	-	42,00,000	1.87	-	-
16.	Rajani Vanijya Pvt Ltd	42,18,750	1.87	-	42,18,750	1.87	-	-
17.	Jaymala Commercial Pvt Ltd	51,87,500	2.30	-	51,87,500	2.30	-	-
18.	Pioneer Goods Pvt Ltd	55,81,250	2.48	-	55,81,250	2.48	-	-
19.	Bansal Business Pvt Ltd	98,62,889	4.42	-	98,62,889	4.42	-	-
20.	Jani Fincom Pvt. Ltd.	1,09,23,750	4.85	-	1,09,23,750	4.85	-	-
21.	Rolex Trafim Pvt. Ltd.	44,70,500	1.99	-	44,70,500	1.99	-	-
22.	Tricom Investments Pvt. Ltd.	64,85,500	2.88	-	64,85,500	2.88	-	-
	<b>Total</b>	<b>15,77,42,219</b>	<b>70.08</b>	<b>-</b>	<b>15,77,42,219</b>	<b>70.08</b>	<b>-</b>	<b>-</b>

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

Category of 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	15,77,42,219	70.08	15,77,42,219	70.08
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				

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

Sl. No.	For Each of the Top 10 Shareholders	Date	Reason	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						
	At the beginning of the year					86,46,010	3.84
				No Change			
	At the end of the year					86,46,010	3.84
2.	Maninya Comfin Pvt Ltd						
	At the beginning of the year					82,10,120	3.65
				No Change			
	At the end of the year					82,10,120	3.65
3.	Tirupati Commosales Pvt Ltd						
	At the beginning of the year					75,00,000	3.33
				No Change			
	At the end of the year					75,00,000	3.33
4.	Merrit Fintrade Pvt Ltd						
	At the beginning of the year					73,69,500	3.27
				No Change			
	At the end of the year					73,69,500	3.27
5.	Torrid Fintra Pvt Ltd						
	At the beginning of the year					71,00,500	3.15
				No Change			
	At the end of the year					71,00,500	3.15
6.	Cloret Investments Pvt Ltd						
	At the beginning of the year					63,52,500	2.82
				No Change			
	At the end of the year					63,52,500	2.82
7.	Rosset Fiscal Pvt Ltd						
	At the beginning of the year					51,51,000	2.29
				No Change			
	At the end of the year					51,51,000	2.29
8.	Luke Securities Limited						
	At the beginning of the year			48,00,000	2.13		
		07/05/2019	Transfer	1,35,518	0.06		
	At the end of the year					46,64,482	2.07
9.	Harish Agarwal						
	At the beginning of the year			11,50,000	0.52		
		26/08/2019	Transfer	10,00,000	0.45		
	At the end of the year					1,50,000	0.07
10.	Kanha Vincom Pvt. Ltd						
	At the beginning of the year					10,21,000	0.45
				No Change			
	At the end of the year					10,21,000	0.45
11.	Gregory Credit Pvt.Ltd.						
	At the beginning of the year					1,78,500	0.08
				No Change			
	At the end of the year					1,78,500	0.08

#### 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
	<b>At the beginning of the year</b>				
1.	Mr. Ram Gopal Bansal				
	Chairman, Wholetime 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 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				

#### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	33,334.21	3,817.78		37,151.99
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-	NA	-
<b>Total (i+ii+iii)</b>	<b>33,334.21</b>	<b>3,817.78</b>	<b>NA</b>	<b>37,151.99</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	-		-
- Reduction	4,855.55	2,649.25	NA	7,504.80
<b>Net Change</b>	<b>4,855.55</b>	<b>2,649.25</b>	<b>NA</b>	<b>7,504.80</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	28,478.66	1,168.53		29,647.19
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-	NA	-
<b>Total (i+ii+iii)</b>	<b>28,478.66</b>	<b>1,168.53</b>	<b>NA</b>	<b>29,647.19</b>

## 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 Wholetime Director / Managing Directors / Manager				Total Amount
		Ram Gopal Bansal, [Chairman, Whole time Director]	Harsh Kumar Bansal, [Managing Director]	Vivek Kumar Bansal, [Managing Director]	Subhash Chandra Gupta [Whole time Director]	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	91,00,000	1,20,00,000	1,20,00,000	10,00,000	3,41,00,000
	(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					
	<b>Total(A)</b>	<b>91,00,000</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>10,00,000</b>	<b>3,41,00,000</b>
	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	Total Amount				
		Debasish Basu	Sunil Kumar Parik	Rampriya Sharan	Gayatri Singh	
1.	Fee for attending board / committee meetings	1,05,000	-	11,000	-	1,16,000
2.	Commission	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-
	Total (B)(1)	1,05,000	-	11,000	-	1,16,000

#### 2. Other Non-Executive Directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Fee for attending board / committee meetings	-	-	-	-	-	-
2.	Commission	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-
	<b>Total (B)(2)</b>	-	-	-	-	-	-
	<b>Total Managerial Remuneration (B)= (B)(1)+ (B)(2)</b>						-
	<b>Overall Ceiling as per the Act</b>	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	Amount			Total
		Abhishek Agarwal (Chief Financial Officer)	Gourav Saboo (Chief Financial Officer)	Arbind Kumar Jain (Company Secretary)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,06,816	13,16,590	17,85,048	36,08,454
	(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				
	<b>Total (C)</b>	<b>5,06,816</b>	<b>13,16,590</b>	<b>17,85,048</b>	<b>36,08,454</b>

### 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)
<b>A. Company</b>					
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>B. Directors</b>					
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>C. Other Officers In Default</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 13/11/2020

**Ram Gopal Bansal**  
Chairman  
DIN: 00144159

ANNEXURE VI

**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 2019-20, Percentage increase in remuneration of Directors, Chief Financial Officer, Company Secretary during the Financial Year 2019-20.

Sl. No	Name of Director / KMP	Designation	Ratio of Remuneration of each Director to the Median remuneration of employees	Percentage increase in Remuneration
<b>Executive Directors</b>				
1.	Mr. Ram Gopal Bansal	Chairman, Whole-time Director	44.61:1	Nil
2.	Mr. Harsh Kumar Bansal	Managing Director	58.82:1	Nil
3.	Mr. Vivek Kumar Bansal	Managing Director	58.82:1	Nil
4.	Mr. Subhash Chandra Gupta	Whole-time Director	4.90:1	Nil
<b>Non-Executive Directors</b>				
5.	Mr. Debasish Basu*	Non-Executive Independent Director	-	-
6.	Mr. Sunil Kumar Parik*	Non-Executive Independent Director	-	-
7.	Ms. Gayatri Singh*	Non-Executive Independent Director	-	-
8.	Mr. Rampriya Sharan*	Non-Executive Independent Director	-	-
<b>Key Managerial Personnel</b>				
9.	Mr. Abhishek Agarwal**	Chief Financial Officer	NA	Nil
10.	Mr. Gourav Saboo**	Chief Financial Officer	NA	Nil
11.	Mr. Arbind Kumar Jain***	Company Secretary	NA	Nil

\*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 2019-20.,

\*\* Mr Abhishek Agarwal resigned from the post of Chief Financial Officer w.e.f 14th day of August, 2019 and Mr. Gourav Saboo appointed as acting Chief Financial Officer on the same date;

However Mr. Saboo resigned from the post on 10th July, 2020 and Mr Abhishek Agarwal again appointed as Chief Financial Officer on the same date.

\*\*\* Mr. Arbind Kumar Jain Company Secretary of the Company resigned from the office on 10th July, 2020 and Mr Vikram Kapur appointed as Company Secretary on the same date.

- ii. The Percentage increase in median remuneration of Employees for the financial year was 5.84 %
- iii. The Company has 705 permanent employees on the rolls of the company as on 31st March, 2020.
- iv. Relationship between average increase in remuneration and company's performance:

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

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

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

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

The Company is listed on the Calcutta Stock Exchange and BSE Ltd. During the Financial Year 2019-2020 the Company Listed with BSE and trading commenced on BSE Indices.

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

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

Name of Employee	Ram Gopal Bansal	Harsh Kumar Bansal	Vivek Kumar Bansal	Subhash Chandra Gupta
Age	65	42	41	71
Designation	Whole-Time Director	Managing Director	Managing Director	Whole-Time Director
Nature of employment	Contractual	Contractual	Contractual	Contractual
Qualification	Commerce Graduate	Commerce Graduate and Advance Management Programme from London Business School	Commerce Graduate	Commerce Graduate
Experience	35	11	17	35
Remuneration received	Rs. 91,00,000/-	Rs. 1,20,00,000/-	Rs. 1,20,00,000/-	Rs. 10,00,000/-
Date of commencement of employment	21.10.1981	26.12.2006	26.09.2001	30.05.2019
Particulars of last Employment	First Employment	First Employment	First Employment	Fifth Employment
Percentage of equity shares held	15.88%	8.20%	6.23%	0
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.	Not Related

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

Place: Kolkata  
 Date: 13/11/2020

**Ram Gopal Bansal**  
 Chairman  
 DIN: 00144159

# Corporate Governance Report

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Corporate Governance principles are based on the philosophy of accountability, integrity, transparency and value creation. Your Company, to achieve sustainable growth and value enhancement, has committed for a highest standard of ethics that leads to better Corporate Governance principles. Your Company is in compliance with the Provisions stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable, with regard to corporate governance.

The report containing the details of Corporate Governance systems, processes and compliance at BMW Industries Ltd.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance depends on Corporate Principles and Practices adopted by the Company in its day to day business activities whose ultimatum is to increase the long term value of the shareholders. Your Company ensures better standard of Corporate Governance guidelines to protect the rights of shareholders and timely disclosure of adequate and accurate information regarding our financials and performance of the Company. The core philosophy of your Company is to create and enhance shareholders' value while being a responsible corporate citizen.

It is imperative that your Company is committed to maintain a highest standard of Corporate Governance practices with all the stakeholders such as shareholders, employees, customers, business partners and continues to follow the principles of Corporate Governance, by adopting fair, transparent and ethical governance practices. Corporate governance practice is the formation and improvement of long-term sustainable value for all stakeholders through accountability, transparency and ethically driven business process. The Company is committed to attain the highest standards of Corporate Governance. viz. to protect the rights of its shareholders, to achieve long term growth, to enhance shareholders value and also value of other stakeholders. It is also imperative that the Company discloses timely, adequate and accurate information.

The Board of Directors of the Company has adopted strategy on board effectiveness and good ethical standards to govern the Company and deliberately creates a culture of leadership to provide a long-term vision to improve the quality of governance.

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is in charge to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

## CODE OF CONDUCT

Your Company has framed Code of Conduct for the Directors (including Non-Executive and Independent Directors) and Senior Management Personnel and other Executives and Employees of the Company. The Directors and Senior Management Personnel have affirmed compliance of the said Code of Conduct as on 31st March, 2020. The Code is displayed on the Company's website: [www.bmwil.co.in](http://www.bmwil.co.in). In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the revised Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code') and entrusted the Audit Committee to monitor the compliance of the code.

## BOARD OF DIRECTORS

The Board of Directors of the Company comprises professionals drawn from diverse field. They bring with them wide range of skills and experience to the Board which enhance the quality of the Board's decision making process. The Board is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interests of all our stakeholders. The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

## SIZE OF THE BOARD AS ON 31ST MARCH 2020

The policy of the Company is to have a perfect combination of Executive Directors, Non-Executive Directors and Independent Directors for proper functioning of governance and management.

The Board of Directors of the Company as on 31st March,

2020 comprised of 8 (Eight) Directors having optimum combination of Executive and Non-Executive Directors and are in accordance with the Corporate Governance Practices.

The details of the total strength of the Board are as follows:-

Sl. No.	Name of the Director	Category
01	Ram Gopal Bansal	Chairman and Whole Time Director
02	Harsh Kumar Bansal	Managing Director
03	Vivek Kumar Banal	Managing Director
04	Subhash Chandra Gupta	Whole Time Director
05	Debasish Basu	Independent Director
06	Sunil Kumar Parik	Independent Director
07	Rampriya Sharan	Independent Director
08	Gayatri Singh	Independent Director

None of the Directors on the Board holds directorships in more than ten public companies. Further, none of them is a Member of more than ten committees or Chairman of more than five Committees across all public companies in which he/she is a director. None of our Directors serve as Director in more than eight listed companies, as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The necessary disclosures regarding Committee positions have been made by the Directors.

The Directors of the Company are appointed by the shareholders at General Meetings. 1/3rd of such Directors are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

### EXPERTISE & SKILLS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company are required to uphold ethical standards of integrity and probity and are required to have expertise, experience and core knowledge in the sectors relevant for the growth of the Company.

The Board members of the Company are holding such skills, expertise and competencies that allow them to make

effective contribution to the Board and its Committees.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Finance	Leadership in Corporate/ business finance is an important and inevitable function and efficient financial management is crucial for success and sustenance. It results in proficiency in financial management, procurement and utilisation of funds and controlling the financial activities and management of financial resources of the Company.
Strategy & Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Global Business	Understanding, of global business dynamics, across various geographical markets with an understanding of industry verticals, regulatory jurisdictions, economic conditions, cultures and a broad perspective on global market opportunities.
Leadership	Leadership experience leads to maximize efficiency and to achieve Company goals by understanding the opportunities and threats, processes, strategic planning and risk management and discussing the financial performance and long-term growth.
Procurement, Sales & Marketing	Experience in procurement of raw materials, production aspects, marketing technical aspect of production, quality control, purchase management and developing strategies to grow sales and market share, build brand awareness and enhance Company reputation.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements, driving corporate ethics and values and observing appropriate governance practices.
Administration	Leadership in administration of a Company, results in long-term growth by planning, organising, directing and controlling the operations, creating rules and regulations and making decisions towards achieving a common goal or objective of the Company

## COMPOSITION AND CATEGORY OF DIRECTORS

The composition of Board of the Company is in conformity of Corporate Governance Code. All Directors possess relevant qualifications and experience in different fields with wide range of skills and expertise including general Corporate Management, Finance, Accounting and other allied fields which enable them to efficiently and effectively contribute their knowledge in the decision making process of the Company in the capacity as Directors. The Chairman is executive and a Promoter of the Company. The numbers of Independent Directors are 4 (Four) which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board

thereby ensuring the best interest of stakeholders and the Company. All Independent Directors meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per the SEBI LODR Regulations, 2015.

The Board has carried out performance evaluation of Independent Directors and recommended to continue the term of their appointment.

All the Five executive Directors are related to each other and no other Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013.

The details of composition of the Board as at 31.03.2020 are given as under:

Name of the Directors	DIN	Designation	Category	Relationship with other Directors
Ram Gopal Bansal	00144159	Chairman & Whole Time Director	Promoter	Father of Harsh Kumar Bansal and Vivek Kumar Bansal
Harsh Kumar Bansal	00137014	Managing Director	Promoter	Son of Ram Gopal Bansal and Brother of Vivek Kumar Bansal
Vivek Kumar Bansal	00137120	Managing Director	Promoter	Son of Ram Gopal Bansal and Brother of Harsh Kumar Bansal
Subhash Chandra Gupta	00056770	Whole Time Director	Non Promoter	Not Related to any promoter
Debasish Basu	00581141	Independent Director	Non Promoter	Not Related to any promoter
Sunil Kumar Parik	00884149	Independent Director	Non Promoter	Not Related to any promoter
Rampriya Sharan	05304025	Independent Director	Non Promoter	Not Related to any promoter
Gayatri Singh	07031033	Independent Director	Non Promoter	Not Related to any promoter

The Independent Directors meet all the criteria's as provided in the Companies Act, 2013 and SEBI LODR Regulations, 2015. The appointment letters issued to every Independent Directors sets out their roles, responsibilities, fiduciary duties in the Company and the expectation of the Board from them along with other terms of their appointment. They have taken active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

## SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee ("NRC") works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the appointment of Directors in the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in various fields including business, government,

education and social service.

Attendance of each Director at the Board meetings and the last Annual General Meeting (AGM) held on 24-09-2019 and Number of other Directorships and Membership / Chairmanship of Committee of each Director in various Companies are mentioned in this report and also mentioned in the Notice of AGM.

## NUMBER OF BOARD MEETINGS HELD AND DATES ON WHICH HELD

The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda of the meeting. Additional meetings are held, whenever necessary. Committees of the Board of Directors usually meet in the same day before the Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting. During the Financial Year 2019-20, 6 (Six) Board Meetings were held on 30.05.2019, 14.08.2019, 12.11.2019, 03.01.2020, 20.01.2020 & 12.02.2020. The maximum gap between two Board Meetings did not exceed one hundred and twenty days in

terms of Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Standards and the provision of the Companies Act, 2013.

Name of the Directors	Designation	No. of Board Meetings held	No. of Meetings Attended	Attendance percentage (%)
Ram Gopal Bansal	Chairman & Executive Director	6	6	100
Harsh Kumar Bansal	Managing Director	6	4	70
Vivek Kumar Banal	Managing Director	6	5	85
Subhash Chandra Gupta	Executive Director	6	6	100
Debasish Basu	Independent Director	6	5	85
Sunil Kumar Parik	Independent Director	6	5	85
Rampriya Sharan	Independent Director	6	1	20
Gayatri Singh	Independent Director	6	1	20

## BOARD MEETINGS, BOARD COMMITTEE MEETINGS & PROCEDURES

The Board of Directors of the Company oversees the overall functioning of the Company. The Executive Chairman, Managing Director and other Executive Directors are entrusted with wide range of functions from Finance, Accounting, Operation, Marketing & Administration and duly assisted by the Company Secretary including Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board of Directors has constituted Five Standing Committees, the position of the Committees as on 31.03.2020 are given hereunder :-

### 1. Audit Committee:

Sunil Kumar Parik	Independent Director	Chairperson
Debasish Basu	Independent Director	Member
Harsh Kumar Bansal	Managing Director	Member

### 2. Stakeholders Relationship Committee:

Debasish Basu	Independent Director	Chairperson
Sunil Kumar Parik	Independent Director	Member
Vivek Kumar Bansal	Managing Director	Member

### 3. Nomination & Remuneration Committee:

Sunil Kumar Parik	Independent Director	Chairperson
Debasish Basu	Independent Director	Member
Rampriya Sharan	Independent Director	Member

### 4. Corporate Social Responsibility Committee:

Harsh Kumar Bansal	Managing Director	Chairperson
Debasish Basu	Independent Director	Member
Rampriya Sharan	Independent Director	Member

### 5. Finance Committee

Sunil Kumar Parik	Independent Director	Chairperson
Ram Gopal Bansal	Whole Time Director	Member
Harsh Kumar Bansal	Managing Director	Member
Vivek Kumar Banal	Managing Director	Member

Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors along with the agenda items and necessary documents & information were provided to all Directors before hand to make able the Board of Directors to take proper decision. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. After Board Meetings, the decision of the Board of Directors duly communicated to the concerned departments & officials for implementation etc.

The meetings are usually held at the Company's Registered Office at "White House", 3rd Floor, 119, Park Street, Kolkata – 700016. The Board is also provided with Audit Committee observations on the internal audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting. While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder, Secretarial Standards and compliance thereof.

A strategy meet of the Board of Directors is generally held at appropriate intervals to formulate, evaluate and approve the business strategy of the Company. The Functional Heads give a brief presentation to the Board covering their respective areas of responsibility. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company and compliance management.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review all the Independent Directors met on 3rd January, 2020, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The composition & attendance of the Independent Directors at this meeting are as follows:-

Name	No. of Meetings Held / No. of Meetings attended
Debasish Basu	1/1
Sunil Kumar Parik	1/1
Rampriya Sharan	1/0
Gayatri Singh	1/1

The Independent Directors of the Company meet once in a year without the presence of Executive Directors or management personnel. This meeting is conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Chairman and Managing Director. The Independent Directors of the Company meet once in a year formally through a Meeting called Independent Directors Meeting.

## FAMILIARIZATION PROGRAM FOR DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Company pursuant to the SEBI LODR Regulations, 2015, has taken initiatives to familiarize its Independent Directors (IDs) with the Company, their roles, rights, responsibilities in the Company,

nature of the industry in which the Company operates, business model of the Company, etc., through various programs posted on the website of the Company [www.bmwil.co.in](http://www.bmwil.co.in).

The familiarization programme for our Directors is customised to suit their individual interests and area of expertise. The Directors are encouraged to visit the plant and raw material locations of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the

Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

The Independent Directors of the Company met once on 3rd January, 2020 without the attendance of Non-Independent Directors and members of management to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors, assessment of flow of information between the management of the Company & the Board of Directors effective performance of duties.

An ongoing familiarization programme with respect to the business/ working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

By way of the familiarization programme undertaken by the Company, the Directors are shared with the nature of the industry in which the Company is presently functioning, the functioning of various business units, the Company's market share, the CSR activities which will be pursued by the Company and other relevant information pertaining to the Company's business.

The familiarization programme of the Company for its Independent Directors has been disclosed on the Company's website: [www.bmwil.co.in](http://www.bmwil.co.in).

The Board has carried out performance evaluation of Independent Directors and recommended to continue the term of their appointment.

The Directors of the Company are made aware of the Company's operation, their role, responsibilities and liabilities. At the time of appointment the Company communicates to the Directors their role, responsibilities and liabilities. The Company holds regular Board & Committee Meetings at its Registered Office to discuss and decide upon the various strategic and operational matters and Directors have an opportunity to interact with the Senior Company personnel. In addition to the above the Directors have full access to all the information's within the Company.

The performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors and the Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

The Details of Directors seeking appointment / re-appointment and the disclosure of relationships between directors inter se as required under SEBI (LODR), Regulations,

2015 and as per Secretarial Standard 2 as issued by the Institute of Company Secretaries of India is given in annexure to the notice which forms part of this Report.

The disclosure of relationships between directors inter se as required under SEBI (LODR), Regulations, 2015 and as per Secretarial Standard 2 as issued by the Institute of Company Secretaries of India are forms part of this report.

### WHISTLE BLOWER/ VIGIL MECHANISM POLICY

As per the requirements of the Companies Act, 2013 and the SEBI LODR Regulations, 2015 the Company had established a mechanism for employees to report concerns for unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

### BOARD COMMITTEES

#### I. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely

disclosures, with the highest levels of transparency, integrity and quality of financial reporting. Audit Committee of the Board comprises three Directors. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and as per Regulation 18 (1) of SEBI LODR Regulations, 2015.

The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Audit Committee is empowered to investigate any activities within its terms of reference, seek information from employees, obtain outside legal or other professional advice or secure attendance of outside experts of relevant field as and when necessitated. The Audit Committee also reviews such matters as referred to it by the Board.

Four (5) meetings of the Audit Committee were held during the financial year ended 31st March, 2020 on 30th May 2019, 14th August 2019, 12th November 2019, 3rd January, 2020 and 12th February 2020, as against the minimum requirement of four meetings. The composition and attendance details of the Committee for the year ended 31st March, 2020 are given hereunder:

Name of the Directors	Positions	No. of Meetings held	No. of Meetings Attended	Attendance percentage (%)
Sunil Kumar Parik	Chairman	5	5	100
Debasish Basu	Member	5	5	100
Harsh Kumar Bansal	Member	5	3	60

The Company Secretary acts as the Secretary to the Committee. The internal auditor reports functionally to the Audit Committee. The terms of reference of Audit Committee are as per Section 177 of the Companies Act, 2013 and as per SEBI LODR Regulation, 2015. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them.

#### Terms of reference

The present terms of reference / scope and function of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation to the Board for appointment, reappointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with respect to accounting standards, listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, external and internal auditors, the adequacy of internal control systems ;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. To review reports of Internal Auditors & discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Examining the financial statement and the auditor's report thereon;
21. Monitoring the end use of funds raised through public offers and related matters;
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
23. To review -
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions, submitted by management;
  - c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
  - d) The appointment, removal and terms of remuneration of the Internal Auditor.
  - e) Internal audit reports relating to internal control weaknesses, etc.
  - f) Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.

## II. NOMINATION & REMUNERATION COMMITTEE

The terms of reference and constitution of the Nomination and Remuneration Committee ('NRC') are strictly in compliance with the provisions of Section 178 of the Companies Act, 2013 and pursuant to Regulation 19 and Part D of Schedule II of SEBI LODR Regulations, 2015 and amendments thereto. The purpose of the NRC is to oversee the Company's nomination process, assisting the Board of Directors for identifying persons qualified to serve Board Members. The Committee has formulated the Criteria for Evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors. The Committee's responsibilities includes framing of specific remuneration package of Executive Directors and commission / sitting fees for Non-Executive Directors etc. and approval of remuneration to the managerial personnel as per the Company's policy on the same.

- a. The terms of reference of the Nomination & Remuneration Committee are as follows:
  - i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
  - ii. To formulating a criteria for determining the qualification, positive attitudes, independence of a Director and evaluation of Independent Directors and the Board;

- iii. To evaluate every Directors performance;
  - iv. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial persons and other employees;
  - v. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - vi. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
  - vii. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
  - viii. To devise a policy on Board diversity.
  - ix. To Carry out any other function as is mandated by the Board of Directors of our Company or prescribed by the Listing Agreement, as amended, from time to time.
  - x. To invite any employee or such document as it may deem fit for exercising of its functions.
  - xi. To obtain such outside or professional advice as it may consider necessary to carry out its duties
- b. The composition of the Nomination & Remuneration Committee as at March 31, 2020:
- Three (3) meeting of the NRC were held during the financial year ended 31st March, 2020 on 30th May, 2019, 14th August, 2019 and 3rd January, 2020. The composition and attendance details of the Committee for the year ended 31st March, 2020 are given hereunder:

Name of the Directors	Positions	No. of Meetings held	No. of Meetings Attended	Attendance percentage (%)
Sunil Kumar Parik	Chairman	3	3	100
Debasish Basu	Member	3	3	100
Rampriya Sharan	Member	3	0	0

The Board decided and fixes the powers and roles of the Committee from time to time. Mr. Arbind Kumar Jain, Company Secretary was performed the duty as Secretary of the Committee. The Company follows the policy to fix remuneration of Managing Director & Whole Time Directors by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.

[Note- Due to resignation of Mr Arbind Kumar Jain as Company Secretary on 10th July, 2020, Mr Vikram Kapur, Company Secretary and Compliance Officer shall act as Secretary of the Committee]

#### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015, a Board Evaluation Policy has been framed and approved by the NRC and by the Board. The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and other Executive Directors was carried out by the Independent Directors.

The Executive Directors compensation is based on the appraisal system wherein their individual goals are linked

to the organizational goals. Executive Directors are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary. The present remuneration structure of Executive Directors comprises of salary, perquisites, allowances and contribution to PF etc.

Policy for evaluation of Independent Directors and the Board the following criteria may assist in determining how effective the performances of the Directors have been:

- i. Leadership & Managerial abilities.
- ii. Contribution to the corporate objectives & plans.
- iii. Communication of expectations & concerns clearly with subordinates.
- iv. Obtaining adequate, relevant & timely information from external sources.
- v. Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- vi. Regular monitoring of corporate results against projection.
- vii. Identification, monitoring & mitigation of significant corporate risks.
- viii. Assessment of policies, structures & procedures followed in the
- ix. Company and their significant contribution to the same.
- x. Direct, monitor & evaluate KMPs, senior officials.

- xi. Regularity in attending meetings of the Company and inputs therein.
- xii. Review & Maintenance of corporation's ethical conduct.
- xiii. Ability to work effectively with rest of the Board of Directors.
- xiv. Commitment to the promotion of equal opportunities, health and safety in the workplace.

#### Remuneration to Directors

##### (a) Remuneration Policy /Criteria

- i. **Executive Directors** : The Company follows the policy to fix remuneration to Managing / Whole Time Directors by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.
- ii. **Non-Executive Directors** : The Non-executive Directors (including Independent Directors) are paid sitting fees on uniform basis. The Non-Executive Directors are remunerated by way of sitting fees. The sitting fees payable to the Non-Executive Directors is based on the number of meetings of the Board & other Committees of the Board attended by them. Directors of the Company were paid a sitting fee as under during the Financial Year 2019-20 for each meeting of the Board and Committees attended by them

iii. **KMPs & Senior Management Personnel:** The motto of determining policy for payment of remuneration to the KMPs and Senior Management Personnel are to motivate and retain them for longer term for the better perspective and growth of the Company. The criteria also oversee the industry trend, quality and experience of the personnel. These factors not only contribute to the Company but make their job satisfaction.

##### (b) Remuneration & Sitting Fees

The Non-Executive Directors are remunerated by way of sitting fees. The sitting fees payable to the Non-Executive Directors is based on the number of meetings of the Board & other Committees of the Board attended by them. Directors of the Company were paid a sitting fee as under during the Financial Year 2019-20 for each meeting of the Board and Committees attended by them :

Board	Rs. 10,000/-
Audit Committee	Rs. 5,000/-
Nomination & Remuneration Committee	
Stakeholders Relationship Committee	
Corporate Social Responsibility Committee	
Finance Committee	
Separate Meeting of the Independent Directors	

The details of remuneration paid /payable to the Executive Directors & Whole time Directors and Sitting Fees paid/ payable to Non-Executive Directors as at 31.03.2020 are given hereunder:-

Name of Directors	Remuneration Paid/Payable for the year ended 31st March, 2020				Service Terms	
	Salary	Bonus	Benefits	Sitting Fees	Pay Scale per Month	Revised/ Effective From
Ram Gopal Bansal	91,00,000	-	-	-	13,00,000/-	12-05-2018
Harsh Kumar Bansal	1,20,00,000	-	-	-	10,00,000/-	12-05-2018
Vivek Kumar Banal	1,20,00,000	-	-	-	10,00,000/-	12-05-2018
Subhash Chandra Gupta	10,00,000	-	-	-	1,00,000/-	30-05-2018
Debasish Basu	-	-	-	1,05,000	-	-
Sunil Kumar Parik	-	-	-	-	-	-
Rampriya Sharan	-	-	-	11,000	-	-
Gayatri Singh	-	-	-	-	-	-

#### Notes:

1. The Directors were paid sitting fees as per the Policy of the Company.
2. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.
3. The Notice period and severance fees are not applicable to the Executive Director of the Company.
4. Subhash Chandra Gupta resigned from the Company on 10th August, 2020.

### Shares and convertible instruments are held by Non-executive Directors

The shareholdings of Non-Executive Directors are given hereunder:-

Name of the Directors	No. of Shares held as on 31-03-2020
Debasish Basu	Nil
Sunil Kumar Parik	Nil
Rampriya Sharan	Nil
Gayatri Singh	Nil

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference and constitution of the Stakeholders Relationship Committee are in compliance with the provisions of the Companies Act, 2013 and pursuant to Regulation 20 and Part D of Schedule II of SEBI LODR Regulations, 2015.

The main tasks of Stakeholders Relationship Committee (SRC) considers and resolves the shareholders' and investors grievances like transfer / transmission of Shares, dematerialisation &

rematerialisation of shares, non-receipt of dividends/ interests, issue of new/duplicate certificates, non- receipt of Dividend, Balance Sheet and such other grievances as may be raised by the security holders from time to time. The Company has registered with SCORES of SEBI for Redressal

of Investors' Grievances on-line.

The terms of reference of the Stakeholders Relationship Committee are as follows:

- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Half yearly intervals.
- To interact periodically and as & when required with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.
- To consider and resolve the grievances of the security holders of the Company.
- To periodically report to the Board about serious concerns if any.
- To follow-up on the implementation of suggestions for improvement.
- Service standards adopted by the Company in respect of services rendered by our Registrars & Transfer Agent.
- Measures and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend/annual report/notices and other information by Shareholders.

One (1) meeting of the SRC was held during the financial year ended 31st March, 2020 on 12th February 2020. The composition and attendance details of the Committee for the year ended 31st March, 2020 are given hereunder:

Name of the Directors	Positions	No. of Meetings held	No. of Meetings Attended	Attendance percentage (%)
Debasish Basu	Chairman	1	1	100
Sunil Kumar Parik	Member	1	1	100
Vivek Kumar Bansal	Member	1	1	100

Mr. Arbind Kumar Jain, Company Secretary of the Company was performed the duty as Secretary of the Committee. The Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement as entered with the Stock Exchanges in India and amended from time to time.

[Note- Due to resignation of Mr Arbind Kumar Jain as Company Secretary on 10th July, 2020, Mr Vikram Kapur Company Secretary and Compliance Officer shall act as Secretary of the Committee]

His address and contact details are as given below:

Address : White House, 3rd Floor, 119, Park Street,

Kolkata-700 016

Phone : 033-4007 1704

Fax : 033-4007 1704

Email : vikramkapur@bmwil.co.in

### Investor Grievance Redressal/ Shareholders' Complaints

The numbers of shareholders'/ investors' complaints

received, resolved/ replied and pending during the year under review are as under:

Nature of complaints	Received	Resolved/ Replied	Pending
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of dividend	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

No request for Share transfer remains pending for registration for more than 15 days except on technical difficulty on the instrument of transfer/transmission. No complaint / query is received by the

Company during the financial year and no complaint is pending as on 31st March, 2020.

## Securities and Exchange Board of India ('SEBI') Complaints Redress System ("SCORES")

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies has to be made electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA/ STA) are required to view the pending complaints and submit 'Action Taken Report' ('ATRs') along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. The Company is already registered under SCORES to efficiently and effectively redress the investors/ shareholders complaints in time.

## IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The purpose of our Corporate Social Responsibility (CSR) Committee is to formulate and recommend to the Board, a CSR Policy, which shall design the initiatives to be undertaken by the Company, recommend the amount of expenditure to incur CSR activities and to monitor from time to time the CSR activities and Policy of the Company. The CSR Committee is responsible for compliance of its scope mentioned in its term of reference in relation to CSR affairs and ensure orderly and efficient execution of the CSR project, programs or activities and issue necessary direction pertaining to it.

**The CSR policy is available on our website at [www.bmwil.co.in](http://www.bmwil.co.in)**

The terms of reference and constitution of the Corporate Social Responsibility Committee are in compliance with the

provisions of the Companies Act, 2013 and rules made there under.

The Broad terms of reference of CSR committee are as follows:

- i. Formulate and recommend to the board, a corporate social responsibility (CSR) policy which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, any other related provisions, if any, of the Companies Act, 2013 and the rules made there under and as may be amended;
- ii. Recommend the amount of expenditure to be incurred on the activities within the purview of the Schedule VII of the Companies Act, 2013, as may be amended;
- iii. Monitor the implementation of CSR policy of the Company from time to time;
- iv. To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities under taken by the Company.
- v. Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen; and
- vi. Oversee activities impacting the quality of life of various stakeholders.
- vii. To carry out such other functions as may from time to time, be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case maybe, to be attended by this Committee.

One (1) meetings of the CSR Committee was held during the financial year ended 31st March, 2020 on 12th February 2020. The composition and attendance details of the Committee for the year ended 31st March, 2020 are given hereunder:

Name of the Directors	Positions	No. of Meetings held	No. of Meetings Attended	Attendance percentage (%)
Harsh Kumar Bansal	Chairman	1	1	100
Debasish Basu	Member	1	1	100
Rampriya Sharan	Member	1	0	0

Mr. Arbind Kumar Jain was performed the duty as Secretary of the Committee.

[Note- Due to resignation of Mr Arbind Kumar Jain as Company Secretary on 10th July, 2020, Mr Vikram Kapur Company Secretary and Compliance Officer shall act as Secretary of the Committee]

## V. FINANCE COMMITTEE

The purpose of this Committee 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 3 (three) times during the year on 29th August, 2019, 26th September, 2019 and 28th December, 2019. Attendance of the Members in the Committee Meeting is given hereunder:

Name of the Directors	Positions	No. of Meetings held	No. of Meetings Attended	Attendance percentage (%)
Sunil Kumar Parik	Chairman	3	3	100
Ram Gopal Bansal	Member	3	3	100
Harsh Kumar Bansal	Member	3	3	100
Vivek Kumar Banal	Member	3	3	100

Mr. Arbind Kumar Jain was performed the duty as Secretary of the Committee.

[Note- Due to resignation of Mr Arbind Kumar Jain as Company Secretary on 10th July, 2020, Mr Vikram Kapur, Company Secretary and Compliance Officer shall act as Secretary of the Committee]

## GENERAL BODY MEETINGS

### I. ANNUAL GENERAL MEETINGS (A.G.M.):

Date, Location and time of Annual General Meeting held in last three years:

FY	Venue	Date	Time	Particulars of Resolution	Number of Special Resolution Passed
2016-17	119, Park Street, 3rd Floor, WHITE HOUSE, Kolkata – 700 016	18.09.2017	11.00 A.M.	Alteration of Memorandum of Association of the Company.	1 (One) Special Resolution
2017-18	119, Park Street, 3rd Floor, WHITE HOUSE, Kolkata – 700 016	27.09.2018	11:00 A.M.	-	No Special Resolution was passed in the meeting.
2018-19	'ROTARY SADAN', S.S. Hall, 94/2, Chowringhee Road, Kolkata – 700 020	24.09.2019	11:00 A.M.	Reappointment of 4 Independent Directors and Maintaining Register of Member at the premises of RTA	5 (Five) Special Resolutions

### II. EXTRA ORDINARY GENERAL MEETING (EGM):

FY	Venue	Date	Time	Particulars of Resolution	Number of Special Resolution Passed
2016-17	119, Park Street, 3rd Floor, 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

### III. 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.

## DISCLOSURES

**i) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of listed entity at large**

All material transactions entered into with related parties as defined under the Act and SEBI LODR Regulations 2015 during the financial year were in the ordinary course of business. No related party transactions of materially significant nature were entered into by the Company with its promoters, the Directors or the management, their subsidiaries or relatives, etc. which could conflict with the interests of the Company.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

**ii) Details of non-compliance by the Listed Entity, penalties, strictures imposed on the Listed Entity by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years**

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority on any matter related to the capital markets during last three years. No penalty or strictures have been imposed by them on the Company during last three years.

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

The Company has adopted the Whistle Blower Policy/ Vigil Mechanism Policy in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI LODR Regulations, 2015, which is a mandatory requirement, to safeguard against victimization & unfair treatment of employees. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior to the Chairman of the Audit Committee. No person has been denied

access to the chairman of the audit committee. The said policy has also been put up on the website of the Company.

**iv) Risk Management:**

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk. The report is also placed before the Board of Directors of the Company.

**v) Reconciliation of Share Capital Audit:**

A qualified Practicing Company Secretary has 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 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 form and the total number of dematerialised shares held with NSDL and CDSL. The report in compliance with regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 was placed in the Board Meeting held subsequent to the report. The Audit Report is disseminated to the Stock Exchange on quarterly basis.

**vi) Policy for determining 'material' Subsidiary**

The Company does not have any material non-listed Indian Subsidiary as defined in Regulations 16 and 24 of SEBI (LODR), Regulations, 2015. The Company has one associate Company in terms of the provision of Section 2(26) of the Companies Act, 2013.

**MEANS OF COMMUNICATION**

The quarterly, half yearly & yearly results of the Company are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in both English and Bengali Newspapers. The unaudited / audited quarterly & half yearly financial results as approved by the Board of Director at its meeting are furnished to the Stock Exchanges where the Company's shares are listed within the prescribed time-frame of the close of every quarter together with limited review report and yearly audited results alongwith Auditors Report as provided by the Auditors in compliance with the SEBI (LODR) Regulations, 2015 and is published in Business Standard circulated all India & and in "Aajkal" in Bengali within 48 hours of conclusion of Board Meeting. The results are also displayed on the Company's website.

Website: The Company's web site is [www.bmwil.co.in](http://www.bmwil.co.in) where the quarterly / annual results and other statutory & non-statutory information are displayed. No presentation has been made to Institutional Investors or Analysts.

**DETAILS OF UNCLAIMED & UNPAID DIVIDEND**

The last dates for claiming of unpaid and unclaimed dividend lying in the Unpaid Dividend Account for the respective years are as follows:

Year	AGM Date	Last Date for Claiming of Dividend	Due Date for Transfer to IEPF	Amount as on 31-03-2020
2017-18	27-09-2018	26-09-2023	21-02-2024	6390.09
2018-19	24-09-2019	23-09-2024	26-06-2025	937.16

**Filing of Unclaimed Dividend with Ministry:**

As per the Investor Education & Protection Fund (IEPF) Rules, 2012, the detailed list of shareholders in respect of unpaid and unclaimed dividend are filed with the Ministry of Corporate Affairs ("MCA") every year within the due time period. The same has also been updated in the website of the Company for your reference.

**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
BSE Ltd., Phiroze Jeebhoy Towers Mumbai – 400 001	542669

**a. Market Price Data**

The equity shares of the Company were listed with BSE Ltd. on 15.05.2019 under direct listing route. Monthly High/Low price during the last Financial Year 2019- 20 at the BSE Ltd. depicting liquidity of the Equity Shares is given hereunder :

Month	Share Price		Month	Share Price	
	High	Low		High	Low
April 2019	-	-	October 2019	18.95	18.00
May 2019	33.00	23.00	November 2019	18.60	16.25
June 2019	30.00	19.80	December 2019	18.75	16.00
July 2019	27.60	21.60	January 2020	19.50	16.15
August 2019	28.00	14.80	February 2020	18.40	15.00
September 2019	18.92	14.85	March 2020	17.45	10.95

**c. Performance in Comparison**

Share price performance in comparison to BSE Sensex for the financial year 2019-20.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April 2019	39,031.55	-
May 2019	39,714.20	26.55
June 2019	39,394.64	24.90
July 2019	37,481.12	25.50
August 2019	37,332.79	14.80
September 2019	38,667.33	17.92
October 2019	40,129.05	18.60
November 2019	40,793.81	17.30
December 2019	41,253.74	18.00
January 2020	40,723.49	16.15
February 2020	38,297.29	17.40
March 2020	29,468.49	10.95

**d. Registrar and Share Transfer Agent**

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: absconsultant99@gmail.com  
 Contact Person: Mr. Uttam Chand Sharma.

**e. Shares Transfer System**

Share Transfer process is delegated to the Registrars and Share Transfer Agents. The Stakeholders Relationship Committee is empowered to approve the Share transfers. Transfer Committee Meeting is held as and when required. The Share Transfers, transmission, issue of duplicate certificate etc. are endorsed by Directors / Executives / Officers as may be authorised by the Stakeholders Relationship Committee. Requests for transfers received from members and miscellaneous correspondence are processed/ resolved by the Registrars within stipulated time.

**f. Distribution of Shareholdings as on 31st March, 2020**

From	Limit		No of Live Accounts	Percentage to Live Accounts	Total No. of Shares	Percentage of Total Shares
	To					
1	500		947	85.32	68684	0.03
501	1000		23	2.07	21325	0.01
1001	2000		14	1.26	24296	0.01
2001	3000		3	0.27	8965	0.00
3001	4000		5	0.45	18666	0.01
4001	5000		3	0.27	14050	0.01
5001	10000		7	0.63	64100	0.03
10001	50000		29	2.61	1157792	0.51
50001	100000		25	2.25	2267000	1.01
100001	above		54	4.86	221441582	98.38
<b>Total</b>			<b>1110</b>	<b>100</b>	<b>225086460</b>	<b>100</b>

**g. Share Holding Pattern as on 31st March, 2020**

Category	No of Shares	Percentage of holding
Promoters & Associates	15,77,42,219	70.08
Mutual Funds	-	-
Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Govt. Institutions)	-	-
FII's	-	-
Private Corporate Bodies	6,18,31,987	27.47
Indian Public	55,12,254	2.45
NRIs / OCBs	-	-
Investor Education & Protection Fund Authority, Ministry of Corporate Affairs	-	-
<b>Total</b>	<b>22,50,86,460</b>	<b>100</b>

**h. Dematerialisation of Shares:**

Total 22,50,30,549 number of equity shares out of 22,50,86,460 number of the total paid-up equity share capital i.e 99.98% are held in dematerialized form with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) as on 31-03-2020. The Company's ISIN is INE374E01021

**i. Outstanding Instruments:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.

**j. Commodity Price Risk :**

Not applicable to the Company as Company is not associated Foreign Exchange Risk and with Hedging activities.

**k. Plant Locations:**

Sl No	Name & Address of the Manufacturing Units
1	Ramdas Oil Mill Compound, Manifit, P.O: Telco, Jamshedpur, Jharkhand. (Plant)
2	B-I, Phase-II, Adityapur Industrial Area, Jamshedpur, Jharkhand. (Plant)
3	M-1, Large Sector, Gamharia, Dist – Seraikella - Kharswan, Jamshedpur, Jharkhand. (Plant)
4	G. T. Road (N), Ghosuri, Howrah, West Bengal. (Plant)
5	Junglepur, PO: Andul Mouri, NH – 6, Howrah, West Bengal. (Plant)

**l. AGM details:**

Date, Venue and Time: As per the Notice calling the Annual General Meeting

**m. Financial Year:** 1st April, 2019 to 31st March, 2020**n. Book Closure Date:** As per the Notice calling the Annual General Meeting**o. Financial calendar (tentative)**

Financial reporting for the quarter ending	1st March, 2020 to 31st March 2021
1st quarter ending 30th June, 2020	2nd week of September, 2020
2nd quarter ending 30th September, 2020	2nd Week of November, 2020
3rd quarter ending 31st December, 2020	2nd Week of February, 2021
4th quarter ending 31st March, 2021	3rd week of May, 2021
Annual General Meeting for the year ending 31st March, 2020	3rd week of December, 2020

**p. Address for Correspondence:**

BMW Industries Ltd.  
119 Park Street, 3rd Floor,  
White House, Kolkata 700 016. West Bengal  
Phone/ Fax No. 033-4007 1704,  
e-mail: info@bmwil.co.in

**q. Compliance Officer**

Mr. Vikram Kapur, Company Secretary,  
Address : White House, 3rd Floor, 119,  
Park Street, Kolkata-700 016  
Phone : 033-4007 1704  
Fax : 033-4007 1704  
Email : vikramkapur@bmwil.co.in

[Note- Due to resignation of Mr Arbind Kumar Jain as Company Secretary on 10th July, 2020, Mr Vikram Kapur, appointed as Company Secretary and Compliance Officer on the said date]

## OTHER DISCLOSURES

### i) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance

The Company has complied with all the applicable mandatory requirements of the applicable Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid clause:

#### Reporting of Internal Auditor:

The Internal Auditors reports directly to the Audit Committee.

The Company has taken cognizance of other non – mandatory requirements as set out in applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.

### ii) Web link where policy on dealing with related party transactions Policy on dealing with related party transaction is displayed:

Website of the Company [www.bmwil.co.in](http://www.bmwil.co.in).

### iii) Disclosures of commodity price risks and commodity hedging activities:

The Company is not associated with hedging activities.

### iv) Accounting Treatment in preparation of financial statement :

The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

### v) Certification from Company Secretary

A certificate from Company Secretary in practice is required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report

### vi) CEO / CFO certification

The CEO / CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

### vii) Management Discussion and Analysis Report

The Management Discussion and Analysis Report

as required under Regulation 34(2)(e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

## DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF

There is no non -compliance of any requirement of Corporate Governance Report of sub-paras as detailed above, thus no explanations need to be given.

## DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

- a. Office to Non-executive Chairperson: - Since the Company is headed by Executive Chairman, maintenance of separate office is not required.
- b. Your Company is under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
- c. The financial statement of your Company is continued to be with unmodified audit opinion.
- d. Separate posts of Chairperson & CEO:- The Company has appointed separate persons as Chairperson and Managing Director or CEO. Presently Mr. Ram Gopal Bansal is the Chairperson (Executive Chairman) of the Company and Mr. Harsh Kumar Bansal and Mr Vivek Kumar Bansal are the Managing Directors of the Company and No separate CEO of the Company.

## DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As on 31st March, 2020, there are no outstanding shares of the Company lying in the demat suspense/ unclaimed suspense account.

## DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 to 27 AND CLAUSES (b) TO (i) OF SUB – REGULATION (2) OF REGULATION 46 OF SEBI LODR REGULATIONS, 2015

The Company has complied with the requirements of aforesaid Regulations.

# Compliance Certificate on Corporate Governance

[pursuant to Regulations 17 - 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**BMW Industries Limited**  
White House, 3rd Floor  
119 Park Street, Kolkata-700016  
West Bengal

We have examined the compliance of conditions of Corporate Governance by M/s. BMW Industries Limited having CIN-L51109WB1981PLC034212 and having registered office at White House, 3rd Floor, 119 Park Street, Kolkata-700016, West Bengal (hereinafter referred to as 'the Company'), for the year ended 31st March, 2020, as stipulated in Regulations 17-27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by The Institute of Company Secretaries of India and 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 Para 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 : 13th November , 2020

Signature: S/d-  
**Name: Sachin Kumar**  
Membership No.: 37957  
CP No.: 14154  
UDIN: A037957B001228410

# Business Responsibility Report

(As per direction under regulation 34(2)(f) of SEBI LODR, 2015, SEBI(LODR) fifth amendment regulations 2019 Dated 26.12.2019 and format as per SEBI circular no CIR/CFD/CMD/10/2015 dated November 04, 2015)

## Section A: General information about the Company:

1	Corporate Identity Number (CIN):	L51109WB1981PLC034212
2	Name of the Company:	BMW Industries Limited
3	Registered address:	119, Park Street, White House, 3rd Floor, Kolkata-700016
4	Website:	www.bmwil.co.in
5	E-mail id:	info@bmwil.co.in
6	Financial year reported:	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacturing of Engineering Products & Providing Engineering Services (241)
8	The key products/services manufactured (as in balance sheet):	Engineering Products & Engineering Services
9	Total number of locations where business activity is undertaken:	<p>a) Number of international locations: Nil</p> <p>b) Number of national locations:</p> <p>I. 119, Park Street, White House, 3rd Floor, Kolkata-700 016 (Head Office)</p> <p>II. Ramdas Oil Mill Compound, Manifit, P.O: Telco, Jamshedpur, Jharkhand. (Plant)</p> <p>III. B-I, Phase-II, Adityapur Industrial Area, Jamshedpur, Jharkhand. (Plant)</p> <p>IV. M-1, Large Sector, Gamharia, Dist – Seraikella - Kharswan, Jamshedpur, Jharkhand. (Plant)</p> <p>V. G. T. Road (N), Ghusuri, Howrah, West Bengal. (Plant)</p> <p>VI. Junglepur, PO: Andul Mouri, NH – 6, Howrah, West Bengal. (Plant)</p>
10	Markets served by the Company:	<p><b>Local/State/ National/International:</b></p> <p>BMWIL product under the brand name "BANSAL SUPER" is sold in West Bengal, Bihar and Jharkhand.</p>

## Section B: Financial details of the Company as on 31st March 2020

1	Paid up capital:	Rs. 22,50,10,549
2	Total turnover:	Rs. 615,07,68,000
3	Total profit after taxes:	Rs. 23,97,07,000
4	Total spending on Corporate Social Responsibility (CSR) as percentage of PAT (%):	Rs. 114.44 Lakh. which is 4.77% of PAT
5	List of activities in which expenditure in 4 above has been incurred:	As per Annexure II of Directors Report

## Section C: Other Details

1	Does the Company have any subsidiary Company/ Companies?	<ol style="list-style-type: none"> <li>1. SAIL Bansal Service Centre Limited (Subsidiary) (Join venture with SAIL)</li> <li>2. Confident Financial Consultancy Pvt. Ltd. (Wholly owned subsidiary)</li> <li>3. Perfect Investment Consultancy Pvt. Ltd. (Wholly owned subsidiary)</li> <li>4. Sidhant Investment Advisory Pvt. Ltd. (Wholly owned subsidiary)</li> <li>5. Siddhi Vinayak Commosales Pvt Ltd (Wholly owned subsidiary)</li> <li>6. Shri Hari Vincom Pvt Ltd (Wholly owned subsidiary)</li> <li>7. Narayan Dealcom Pvt Ltd (Wholly owned subsidiary)</li> <li>8. Fairplan Vintrade Pvt Ltd (Wholly owned subsidiary)</li> <li>9. Nageshwar Trade-Link Pvt Ltd (Wholly owned subsidiary)</li> <li>10. BMW Iron &amp; Steel Industries Limited (Step Down Subsidiary)</li> <li>11. Nippon Cryo Private Limited (Step Down Subsidiary)</li> </ol>
2	Do the subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [>30%, 30-60%, < 60%]	The Company's BR Policy is applicable to the management and all employees of the Company. The Company encourages and expects its business partners to adopt the BR practices. However, no formal study has been undertaken as of date to ascertain the percentage of such entities who participate in BR activities.

## Section D: BR Information

### 1 (a) Details of Directors responsible for BR implementation of the BR policy:

#### No-1

i.	Name:	Harsh Kumar Bansal
ii.	DIN :	00137014
iii.	Designation:	Managing Director
iv.	Telephone number:	+ 91 (33) 4007 1704
v.	E-mail id:	harshbansal@bmwil.co.in

#### No-2

i.	Name:	Vivek Kumar Bansal
ii.	DIN :	00137120
iii.	Designation:	Managing Director
iv.	Telephone number:	+ 91 (33) 4007 1704
v.	E-mail id:	vivekbansal@bmwil.co.in

### (b) Details of BR head:

i.	Name:	Harsh Kumar Bansal
ii.	DIN :	00137014
iii.	Designation:	Managing Director
iv.	Telephone number:	+ 91 (33) 4007 1704
v.	E-mail id:	harshbansal@bmwil.co.in

## 2. Principle-wise BR Policies as per National Voluntary Guidelines

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

<b>P1</b>	Business should conduct and govern themselves with Ethics, Transparency and Accountability
<b>P2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
<b>P3</b>	Businesses should promote the well-being of all employees
<b>P4</b>	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Business should respect, protect and make efforts to restore the environment
<b>P7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
<b>P8</b>	Businesses should support inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner

### (a) Details of Compliance (Reply in Y / N)

Sl No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for..	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policy is based on National Voluntary Guidelines on Social, Environmental & Economical Responsibilities of Business released by Ministry of Corporate Affairs in July 2011.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Managing Directors are responsible for BR and BR head is responsible for implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	<a href="https://www.bmwil.co.in/corporate-codes-and-policies/">https://www.bmwil.co.in/corporate-codes-and-policies/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	It has been posted on the Company's Website.								
8	Does the company have in-house structure to implement the policy/ policies.	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	✓	✓	✓	✓	✓	✓	✓	✓	✓

### (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

i.	Indicate the frequency with which the Board of Directors, committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:	The BR Head periodically assess the BR performance of the Company and the Board reviews the same annually.
ii.	Does the Company publish a BR or a Sustainability report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has adopted its BR report for FY 2019-20 which forms the part of the Annual Report. The same can be viewed on the website of the Company at <a href="http://www.bmwil.co.in">www.bmwil.co.in</a>

### Section E: Principle-wise performance

#### Principle 1 - Business Should Conduct and Govern Themselves with Ethics, Transparency and Accountability

i.	Does the policy relating to ethics, bribery and corruption cover only the Company? (yes/no). Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ Others?	The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct is applicable to all the individuals working in the Company. The Company encourages its business partners to follow the code. The policy also intends for fair dealings with customers, suppliers, contractors and other stakeholders.
ii.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.	No stakeholder complaints were received pertaining to ethics, transparency and accountability violation in financial year 2019-20.

#### Principle 2 - Businesses Should Provide Goods and Services That Are Safe and Contribute to Sustainability throughout Their Life Cycle

i.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(i) Acid Regeneration (ii) Reusing of Exhaust gas's Heat (iii) Using of Non drinkable water
ii.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	<b>Heat:</b> The company use the heat of own generated flu gas to heat up the water which used in the boiler, by this we have successfully reduced the power consumption <b>Acid:</b> The company require huge amount of raw acid in its process, for that we are having a acid regeneration plant, and with it we are successfully recovering the used acid. We have a zero discharge (ZLD) facility. <b>Water:</b> We utilize all our effluent by treating chemically followed by reverse osmosis process. We have a zero discharge facility.
iii.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.	The Company considers aspects such as safety and environment in addition to commercial considerations while selecting its suppliers. Most of the raw materials are sourced from these suppliers.
iv.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The major raw material used by the Company in manufacturing its products are of such nature, which are generally not produced by small producers. However, for all other products the Company tries to procure from local supply chain partners which include small scale industries who meet our quality, delivery, cost and technology expectations. Efforts are continuously made to use local service providers for availing various support services at our various plants and services.

v.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.	<p>The Company has a robust efficient effluent treatment process thereby enabling it continuously maintain Zero-discharge status across all the facilities.</p> <p>The Company has a closed loop process and does not generate any waste. The water content in raw material is separated during the manufacturing process. This is treated in ETP plant and recycled as input in the manufacturing process. Of the total input, waste generated and recycled is less than 5%.</p>
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### Principle 3 - Businesses Should Promote the Well-Being of all Employees

1	Total number of employees:	1437			
2	Total number of employees hired on temporary/ contractual/casual basis:	782 (hired in Financial Year 2019-20)			
3	Number of permanent women employees	705			
4	Number of permanent employees with disabilities:	nil			
5	Do you have an employee association that is recognised by management?	There is no employee association			
6	What percentage of your permanent employees is members of this recognised employee association?	Not Applicable			
7	Please indicate the number of complaints relating to Child labour, forced labour, involuntary labour, sexual harassment, Discriminatory employment in the last financial year and pending, as on the end of the financial year 31st March, 2020:				
	<b>Category</b>	<b>No of complaints filed during the year</b>	<b>No of complaints pending as on the end of financial year</b>		
7.1	Child labour, forced labour, involuntary labour	Nil	Nil		
7.2	Sexual Harassment	Nil	Nil		
7.3	Discriminatory employment	Nil	Nil		
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Permanent Employees	Permanent Women Employees	Casual/ Temporary/ Contractual Employees	Employees with Disabilities
		44.05	0.60	53.58	0

### Principle 4 - Businesses Should Respect the Interests of and Be Responsive Towards All Stakeholders, Especially Those Who Are Disadvantaged, Vulnerable and Marginalised:

1	Has the Company mapped its internal and external Stakeholders?	Yes – the Company has done so consummately.
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized Stakeholders?	Yes, we always actively work to identify underprivileged communities in and around our Manufacturing Sites to prioritise our intervention and work on to serve their needs through our well-crafted CSR Programs. The needs are identified through various listening and learning methods and are prioritised by suitably addressing the needs of the Community and the long term strategic growth of the Company as well.

3	Are there any special initiatives taken by Company to engage with the disadvantaged, vulnerable and marginalised Stakeholders? If so, provide details thereof, in about 50 words or so.	<p>Yes, BMW Industries Ltd believes that it has an important role to play in the inclusive growth of the Society and the Community in which it operates</p> <ul style="list-style-type: none"> <li>i. The Company has taken up Project for provision of Safe Drinking Water to each household in the Village;</li> <li>ii. The Company promotes Education and Literacy in adjoining villages. Free Distribution of Books is the initiative taken at the commencement of each Academic Year for the needy School Children so that they can seamlessly pursue their studies;</li> <li>iii. The Company provides Healthcare Facilities to the underprivileged in and around its Factory premises;</li> </ul> <p>Details of all the Activities listed above can be found in Annexure II to the Board's Report.</p>
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#### Principle 5 - Businesses Should Respect and Promote Human Rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/NGOs/others?	The Company respects & protects the human rights of all people around and associated with it. The Company complies with applicable laws and regulation governing occupational health and safety. The Company applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The Company is holding ISO 9001:2008 and ISO 14001:2015 certification for Health and Safety Standards and Environment Management Standards. The Company expects its suppliers, contractors etc. to adhere to the principles of human rights.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?	No stakeholder complaints were received pertaining to human rights violation in financial year 2019-20.

#### Principle 6 - Business Should Respect, Protect and Make Efforts to Restore the Environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors / NGOs/others.	The Company is committed to safeguard the interest of environment with a view of sustainable development. For the same, Company has taken many environmental friendly initiatives and also carried out process modification to protect environment. The Company's Environmental policy is applicable to all its business places.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	<p>The Company understands and recognizes that climate change and global warming are real threat to the global community and each and every person has a role &amp; responsibility to address such alarming issue.</p> <p>More information is available on following web link: <a href="https://www.bmwil.co.in/corporate-codes-and-policies/">https://www.bmwil.co.in/corporate-codes-and-policies/</a></p>
3	Does the company identify and assess potential environmental risks? Y/N	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No, the Company presently does not have any project related to clean development mechanism.

5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has taken certain initiatives towards conservation of energy and energy efficiency at its various plants. Annexure-III to the Board's Report contains details of the steps taken to conserve energy during the year. Sustainable growth is an integral part of Company's philosophy and multiple projects and initiatives are undertaken to address clean technology, energy efficiency, renewable energy etc.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	All the plants of the Company comply with the prescribed emission norms of various Central/State pollution control boards. All the emission and waste generated by the Company is well within the permissible limits given by SPCB/CPCB for the financial year reported.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No show cause or legal notices from the pollution control authorities are pending as at the end of the financial year.

**Principle 7 - Businesses, When Engaged In Influencing Public And Regulatory Policy, Should Do So In A Responsible Manner**

1	Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.	<ul style="list-style-type: none"> <li>i. The Confederation of Indian Industry (CII)</li> <li>ii. The Institute of Company Secretaries of India</li> <li>iii. The Institute of Chartered Accountants of India</li> </ul>
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.	We do from time to time take up issues through these associations on matters of public and industry interest.

**Principle 8 - Businesses Should Support Inclusive Growth and Equitable Development**

1	Does the Company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	<p>The Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society. The Company has several socio-economic projects running in various areas and are taken as per the CSR policy of the Company which includes:</p> <ul style="list-style-type: none"> <li>i. Promoting healthcare including preventing healthcare.</li> <li>ii. Promoting education and special education.</li> <li>iii. Eradicating hunger and making available safe drinking water</li> </ul> <p>The details of specific CSR projects are given in Annexure II to the Board's Report.</p>
2	Are the programmes /projects undertaken through in house team/own foundation/ external NGO/government structures/any other organisation?	The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.
3	Have you done any impact assessment of your initiative?	Efforts are made to make a general assessment of impact of some of the initiatives. The CSR Committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programs and to gain insight for improving the design and delivery of future initiatives. However, no structural impact assessment is put in place at present.

4	What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?	During the year, the Company has spent Rs. 114.44 lakhs towards various CSR initiatives and projects. The details of the same are given in Annexure II to the Board's Report.
5	Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.	All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR policy framework and presented to the CSR committee for its review, guidance and approval. The Company works directly and through implementing agencies of the project to ensure proper and meaningful adoption of these initiatives among the target community.

**Principle 9 - Businesses should engage with and value to their customers and consumers in a responsible manner**

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	No customer complaints are pending as on the end of the financial year.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	There is no case against BMW Industries Ltd during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	BMWIL believes in providing best services to its customers. Time to time meeting(s) with customers are organized to understand their expectation and essentially to gauge our competitiveness in the business.  Feedbacks received from customers are implemented to further enhance quality of service. Our ongoing efforts have made us market leaders or significant players across all products we operate in.

**For and on behalf of the Board**

**(Ram Gopal Bansal)**

Chairman & Executive Director

DIN: 00144159

Date: 13/11/2020

Place: Kolkata

**For and on behalf of the Board**

**(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**

Date : 13/11/2020

To,  
The Members of  
**BMW Industries Limited**  
White House, 3rd Floor  
119 Park Street, Kolkata-700016  
West Bengal

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, 2020

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

**For BMW Industries Limited**

**(Abhishek Agarwal)**  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**BMW Industries Limited**  
White House, 3rd Floor  
119 Park Street, Kolkata-700016  
West Bengal

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. BMW Industries Limited having CIN-L51109WB1981PLC034212 and having registered office at White House, 3rd Floor, 119 Park Street, Kolkata-700016, West Bengal (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	DIN	Date of appointment in Company
01.	Ram Gopal Bansal	00144159	Chairman & Whole Time Director	21/10/1981
02.	Harsh Kumar Bansal	00137014	Managing Director	26/12/2006
03.	Vivek Kumar Bansal	00137120	Managing Director	26/09/2001
04.	Subhash Chandra Gupta	00056770	Whole Time Director	30/05/2019
05.	Debasish Basu	00581141	Independent Director	28/08/2002
06.	Sunil Kumar Parik	00884149	Independent Director	15/09/2012
07.	Rampriya Sharan	05304025	Independent Director	15/09/2012
08.	Gayatri Singh	07031033	Independent Director	21/11/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature: S/d-

**Name: Sachin Kumar**

Membership No.: 37957

CP No.: 14154

UDIN: A037957B001228511

Place: Kolkata

Date : 13th November, 2020

# Independent Auditors' Report

To the Members of

**BMW INDUSTRIES LIMITED**

## Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of BMW Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis For Opinion

We conducted our audit in accordance with the Standards

on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters for incorporation in our report.

Key audit Matters	Addressing the Key Audit Matters
<p><b>Trade Receivables</b></p> <p>Gross Trade Receivable of the Company is ₹ 12,234.14 Lakhs as on March 31, 2020. This includes significant amounts, which have fallen due for payment and are lying outstanding for a considerable period of time. (Note No. 8 of the Standalone Financial Statements)</p> <p>The increasing challenges over the economy and operating environment in the steel industry have increased the risks of default against receivables from the customers. The Company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations.</p> <p>The recoverable amount was estimated by management based on assessment of recoverability on case to case basis and required significant audit attention. 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, credit worthiness of the of the parties and historical write-off experience.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding from the Management, assessed and tested the design and operating effectiveness of the Company's key controls over the recoveries against the outstanding amounts and resultant impairment assessment of material Trade Receivables;</li> <li>• We reviewed Management's assessment and evaluation on the credit worthiness of the major trade receivables and historical trends and current dealing with the customers;</li> <li>• Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment keeping in view the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any provision should be made;</li> <li>• Tested settlement of trade receivables subsequent to the balance sheet date on a sample basis; and</li> <li>• We further discussed with the Management the adequacy of the allowance for impairment as recognised and reviewed the supporting documents provided in relation to the same.</li> </ul>

Key audit Matters	Addressing the Key Audit Matters
<p><b>Verification of Inventories and Valuation thereof</b></p> <p>As at March 31, 2020, the Company has ₹ 20,715.26 Lakhs of Inventories (Note No. 7 of the Standalone Financial Statements). Given the size of the Inventory relative to the total assets of the Company and the estimates and judgements described below, the determination and valuation of Inventory required significant audit attention.</p> <p>Given the nature of Industry and volume of inventory and physical verification being undertaken in phases not covering all the locations, determination thereof in absence of specific identification, batches etc has largely been arrived on theoretical basis considering cross-sectional weight including for the locations not covered for verifications. Moreover, certain materials are lying in heaps and / or are susceptible to obsolescence and deterioration in quality. All these requires specific procedures based on technical experience for arriving at the ground stock of usable / saleable inventory . The result of these procedures may not always be accurate and involves significant management judgement and estimation.</p> <p>As disclosed in Note 1(C) (k), Inventories are held at lower of cost or Net Realizable Value determined using the First in First Out/ Weighted Average cost method. At year end, valuation of Inventories is reviewed by the management and the cost of Inventory is reduced in cases where the Net Realizable value is lower.</p> <p>Management reviews the Ageing reports together with historical trends to estimate the likely future saleability of slow moving and older inventory items and performed a line-by-line analysis to ensure that it is stated at the lower of cost or net realizable value.</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, the physical verification of the inventories could not be carried out and/or observed by us due to lockdown restrictions at the year end.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following:</p> <ul style="list-style-type: none"> <li>• Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.</li> <li>• Verification of Inventories in all units have been undertaken on a subsequent date of Balance Sheet by the management. In case of Hazibagan unit (holding 60% of total inventories) physical verification was carried out in presence and supervision of an independent firm of Chartered Accountant entrusted with this responsibility. Inventories at remaining locations (holding 40% of total inventories) were verified by the management.</li> <li>• We have obtained and reviewed necessary evidences, working papers and documents for the physical verification carried out as above. We have also reviewed the report submitted by independent firm of Chartered Accountant with respect to such verification in case of one of the Units of the Company. We have put reliance on the reports, documents and working papers submitted to us by the management;</li> <li>• We have applied alternative methods of verification for arriving at Inventories as at the year-end by applying principles of roll back by carrying out relevant adjustments for receipt and issues. We performed procedures to ensure that necessary control, checks were applied in this respect and the changes in inventory between the verification date and date of the Balance sheet are properly recorded (Roll back principles);</li> <li>• We have verified the adjustments made for receipt and consumption to arrive at the physical stock as on March 31, 2020. Materiality for variations, discrepancies were duly adjusted; and</li> <li>• We have examined the valuation process/methodology and checks being performed at multiple levels to ensure that the valuation is consistent with and as per the policy followed in this respect.</li> </ul>

**Information Other than the Standalone Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report including Annexures to Director’s Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone 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), Changes in Equity and Cash Flows 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the

basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

The outbreak of COVID-19 as stated in Note no. 46 of the financial statement dealing with evaluation of Impact of COVID-19 which has caused disruption in operation and physical verification and other year-end exercises, for which alternative audit procedures as required in terms of standards on auditing has been applied to obtain sufficient audit evidence on the matter. Our opinion is not modified in respect of the matter.

### Report on Other Legal and Regulatory Requirements

- I. 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.
- II. 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 it 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 Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) in our opinion, the aforesaid Standalone financial

statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 standalone financial statements –Refer Note no. 37 of the standalone 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.
- III. With respect to the reporting under Section 197 (16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the Remuneration (including Sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

**For Lodha & Co.**

*Chartered Accountants*

Firm's ICAI Registration No.:301051E

**H K Verma**

*Partner*

Place: Kolkata

Membership No: 055104

Date: July 10, 2020

UDIN: 20055104AAAABJ1021

## Annexure "A" to the Auditors' Report of even date:

The Statement referred to in paragraph (i) 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 Financial Statements of the Company for the year ended March 31, 2020, we report that:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, certain fixed assets which were required could not be fully verified as per the programme amidst lockdown due to COVID-19 pandemic, however certain assets added during the year has been physically verified. According to the information and explanation given to us, no material discrepancies were noticed on such verifications. As explained such verifications will be resumed as per the phased programme in due course of time.
  - 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) The inventories of the Company have been physically verified by the management at regular intervals. However, such verification at the year-end could not be carried out due to lock-down amidst COVID-19 pandemic. Verification of Inventories have therefore been undertaken on a subsequent date which in respect to Hazibagan unit was carried out in presence and supervision of an independent firm of Chartered Accountant entrusted with this responsibility. Inventories at remaining locations were verified by the management. The Inventories as on March 31, 2020 have been arrived at by rolling back the stock so physically verified on a subsequent date. In respect of inventory lying with third parties, these have substantially been confirmed by them. Due to COVID-19 we could not attend the verification so carried out and have placed reliance on the details, documents and reports received in this respect. 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 company 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, Goods and Services Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other

material statutory dues as applicable to it. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2020 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 and Value added Tax as at March 31, 2020, not deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Rupees in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	163.55	F.Y. 2012 – 2013	Commissioner of income tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	14.79	F.Y. 2013 – 2014	Commissioner of income tax (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	115.52	F.Y. 2012-2013	Joint Commissioner of Commercial Taxes (Appeals)

viii) In our opinion and on the basis of information and explanations given to us by the management, the Company has not defaulted in repayment of dues to banks and governments. 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 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. Accordingly, paragraph 3(xiv) of the Order is not applicable.

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

**H K Verma**

*Partner*

Place: Kolkata

Membership No: 055104

Date: July 10, 2020

UDIN: 20055104AAAABJ1021

# Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph ii (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

## Report on the Internal Financial Controls with reference to Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls with reference to the Standalone Financial Statements of BMW Industries Limited (“the Company”) as at March 31, 2020 in conjunction with our audit of the Standalone 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 financial controls with reference to Standalone financial statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 control with reference to Standalone Financial Statements were 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 with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of such internal financial controls with reference to Standalone financial statements, 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 auditors’ judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone financial statements.

## Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to Standalone financial statements 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 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 financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls

with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Lodha & Co.**

*Chartered Accountants*

Firm's ICAI Registration No.:301051E

**H K Verma**

*Partner*

Place: Kolkata

Date: July 10, 2020

Membership No: 055104

UDIN: 20055104AAAABJ1021

# Standalone Balance Sheet as at March 31, 2020

Rupees in Lakhs

Particulars	Notes No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	2	45,597.07	47,970.66
(b) Capital Work-in-progress		3,189.58	2,288.32
(c) Intangible Assets	3	2.78	3.29
(d) Financial Assets			
i) Investments	4	665.69	665.69
ii) Other Financial Assets	5	797.17	770.69
(e) Other Non-current assets	6	1,996.32	2,086.65
<b>Total Non-current Assets</b>		<b>52,248.61</b>	<b>53,785.30</b>
<b>Current Assets</b>			
(a) Inventories	7	20,715.26	21,089.53
(b) Financial Assets			
(i) Trade receivables	8	12,234.14	19,439.77
(ii) Cash and cash equivalents	9	252.64	262.73
(iii) Other Bank balances other than (ii) above	10	765.17	874.44
(iv) Loans	11	400.33	313.15
(v) Others	12	126.85	134.42
(c) Other current assets	13	8,399.32	8,049.02
<b>Total Current Assets</b>		<b>42,893.71</b>	<b>50,163.06</b>
Assets Classified as held for sale	14	305.22	305.22
<b>Total Assets</b>		<b>95,447.54</b>	<b>1,04,253.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	2,250.86	2,250.86
(b) Other Equity	16	52,237.06	49,875.54
<b>Total Equity</b>		<b>54,487.92</b>	<b>52,126.40</b>
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	17	3,610.96	7,683.53
ii) Other Financial Liabilities	18	2,849.00	1,270.15
(b) Provisions	19	281.30	216.22
(c) Deferred Tax Liabilities (Net)	20	4,849.83	5,212.20
(d) Other Non-Current Liabilities	21	748.65	1,696.07
<b>Total Non-current Liabilities</b>		<b>12,339.74</b>	<b>16,078.17</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	22	20,062.79	23,532.50
ii) Trade Payables	23		
- Total outstanding dues to Micro and Small Enterprise		-	-
- Total outstanding dues to creditors other than Micro and Small Enterprise		809.69	3,092.14
iii) Other Financial Liabilities	24	7,059.09	7,277.09
(b) Other current liabilities	25	327.32	1,708.29
(c) Provisions	26	13.13	6.43
(d) Current Tax Liability ( Net)	27	347.86	432.56
<b>Total Current liabilities</b>		<b>28,619.88</b>	<b>36,049.01</b>
<b>Total liabilities</b>		<b>40,959.62</b>	<b>52,127.18</b>
<b>Total Equity and Liabilities</b>		<b>95,447.54</b>	<b>1,04,253.58</b>
Accompanying Notes on Financial Statements	1 - 48		

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**

Director

DIN : 00137014

**H.K. Verma**

Partner

Membership No. 055104

Place: Kolkata

Date: July 10, 2020

**Abhishek Agarwal**

Chief Financial Officer

**Vikram Kapur**

Company Secretary

# Standalone Statement of Profit and Loss for the year ended March 31, 2020

Rupees in Lakhs

Particulars	Notes No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	28	60,069.00	82,257.60
II Other Income	29	1,438.68	2,446.39
<b>III Total Income (I + II)</b>		<b>61,507.68</b>	<b>84,703.99</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	30	31,015.44	47,183.58
(b) Purchases of Stock in Trade		-	294.17
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	31	165.62	202.48
(d) Employee benefits expense	32	2,544.58	2,992.83
(e) Finance costs	33	4,516.24	5,626.93
(f) Depreciation and amortisation expenses	34	4,547.59	4,623.60
(g) Other expenses	35	15,558.57	17,447.92
<b>Total Expenses (IV)</b>		<b>58,348.04</b>	<b>78,371.51</b>
<b>V Profit before tax (III - IV)</b>		<b>3,159.64</b>	<b>6,332.48</b>
<b>VI Tax Expense</b>			
(1) Current tax	36	1,112.98	1,364.57
(2) Deferred tax- Charge/(Credit)	20	(350.41)	869.94
		<b>762.57</b>	<b>2,234.51</b>
<b>VII Profit for the year (V-VI)</b>		<b>2,397.07</b>	<b>4,097.97</b>
<b>VIII Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
-Remeasurement gains / (losses) on defined benefit plans		(47.51)	27.25
-Income tax relating to items that will not be reclassified to profit or loss	36.3	11.96	(9.52)
<b>Other Comprehensive Income for the year(net of tax)</b>	36.4	<b>(35.55)</b>	<b>17.73</b>
<b>IX Total comprehensive income for the year comprising profit and other comprehensive income for the year(VII + VIII)</b>		<b>2,361.52</b>	<b>4,115.70</b>
<b>X Earnings per Equity share (par value Re 1 each):</b>			
(1) Basic (₹)	39	1.07	1.82
(2) Diluted (₹)	39	1.07	1.82
Accompanying Notes on Financial Statements	1 - 48		

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: July 10, 2020

For and on behalf of the Board of Directors

**Ram Gopal Bansal**  
Chairman  
DIN: 00144159

**Abhishek Agarwal**  
Chief Financial Officer

**Harsh Bansal**  
Director  
DIN : 00137014

**Vikram Kapur**  
Company Secretary

## Standalone Cash Flow for the year ended March 31, 2020

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>3,159.64</b>	<b>6,332.48</b>
<b>Adjustments for -</b>		
Depreciation and Amortisation	4,547.59	4,623.60
Finance Costs	4,516.24	5,626.93
Liabilities no longer required written back	(108.71)	(233.14)
Interest Income	(1,202.61)	(2,000.23)
Irrecoverable Balance written off	1,689.16	-
Dividend Income	(12.00)	-
(Profit)/ Loss on sale of Property, Plant and Equipment	9.72	(134.95)
	9,439.39	7,882.21
<b>Operating profit before working capital changes</b>	<b>12,599.03</b>	<b>14,214.69</b>
<b>Adjustments for -</b>		
Trade and other receivables	5,516.48	1,455.38
Inventories	374.27	1,434.24
Loans and Advances	(170.94)	(3,998.06)
Trade Payable and Other Liabilities	(4,186.28)	(861.39)
	1,533.53	(1,969.83)
<b>Cash generated from operations</b>	<b>14,132.56</b>	<b>12,244.86</b>
Direct Taxes Paid	(1,197.67)	(1,419.32)
<b>Net cash flow from / (used in) operating activities</b>	<b>12,934.89</b>	<b>10,825.54</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant and Equipments	(2,180.54)	(1,722.46)
Sale of Property, Plant and Equipments	16.49	176.63
Dividend Income	12.00	-
Interest Income	1,202.61	2,000.23
Deposit with Banks Original maturity with more than 3 months	4.87	5.98
Unsecured Loan / Advance given to a Subsidiary	-	252.89
<b>Net cash flow from / (used in) investing activities</b>	<b>(944.57)</b>	<b>713.27</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(4,474.41)	(5,626.93)
Proceeds/ (Repayments)from Short Term Borrowings from Bank (Net)	(3,469.71)	1,290.84
Repayment of Long Term Borrowings from Banks	(5,649.49)	(4,634.17)
Proceeds/ (Repayments)from Long Term Borrowings from Others	3,250.00	(416.01)
Repayment of Long Term Borrowings from Bodies Corporate	(1,615.75)	(1,878.09)
Repayment of Lease Liability	(41.05)	-
Payment of Dividend including Taxes	-	(54.27)
<b>Net cash flow from / (used in) financing activities</b>	<b>(12,000.41)</b>	<b>(11,318.63)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(10.09)</b>	<b>220.18</b>
Cash and Cash Equivalents as at the beginning of the year (Refer Note No. 1)	262.73	42.55
Cash and Cash Equivalents as at the end of the year (Refer Note No. 1)	252.64	262.73

## Standalone Cash Flow for the year ended March 31, 2020

### Note:

- Cash and Cash Equivalents consists of cash on hand and Bank balances in Current Account and Short Term Deposits with original maturity of less than three months. The details of cash and cash equivalents as per Note 9 of the Standalone Balance Sheet is as under:

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current account	30.98	40.11
In Fixed Deposits (having original maturity of less than 3 months)	44.37	19.83
Cheques on Hand	173.94	200.94
Cash on hand	3.35	1.85
<b>Total cash and cash equivalents</b>	<b>252.64</b>	<b>262.73</b>

- Reconciliation of Liabilities arising from Financing activities

Rupees in Lakhs

Particulars	As at March 31, 2019	Proceeds Raised	Non cash adjustment	Repayment	As at March 31, 2020
<b>Long Term Borrowings</b>					
- From Bank	11,854.71	1,250.00	39.84	(5,522.19)	7,542.69
-From others	54.49	2,000.00	20.00	(127.30)	1,947.19
-From bodies corporate	1710.29	-	-	(1,615.75)	94.53
				-	
<b>Short Term Borrowings</b>					
-From Bank	23532.50	-	-	(3,469.71)	20,062.79
Lease Liabilities	209.76	-	1,292.63	(41.05)	1,461.34
<b>Total</b>	<b>37,361.75</b>	<b>3,250.00</b>	<b>1,352.47</b>	<b>(10,775.99)</b>	<b>31,108.56</b>

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.
- The Company has incurred ₹ 114.65 lakhs on account of Corporate Social Responsibility (CSR) Expenditure during the year ended March 31,2020 (March 31, 2019 ₹111.9 lakhs).

Accompanying Notes on Financial Statements 1-48

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**  
Director  
DIN : 00137014

**H.K. Verma**  
Partner  
Membership No. 055104  
Place: Kolkata  
Date: July 10, 2020

**Abhishek Agarwal**  
Chief Financial Officer

**Vikram Kapur**  
Company Secretary

## Standalone Statement of changes in Equity for the year ended March 31, 2020

### (a) Equity Share Capital

Particulars	Rupees in Lakhs
As at March 31, 2018	2,250.86
Changes during the year	-
As at March 31, 2019	2,250.86
Changes during the year	-
As at March 31, 2020	2,250.86

### (b) Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined Benefit Obligation	
<b>As at March 31, 2018</b>	<b>432.17</b>	<b>16,682.97</b>	<b>2,207.29</b>	<b>26,491.67</b>	-	<b>45,814.10</b>
Profit for the year	-	-	-	4,097.97	-	4,097.97
Payment of dividends	-	-	-	(45.01)	-	(45.01)
Tax on dividends	-	-	-	(9.25)	-	(9.25)
Other comprehensive income (net of tax) :						
Impact of Remeasurement of Defined Benefit plans	-	-	-	-	17.73	17.73
Transferred to Retained Earnings	-	-	-	17.73	(17.73)	-
<b>As at March 31, 2019</b>	<b>432.17</b>	<b>16,682.97</b>	<b>2,207.29</b>	<b>30,553.11</b>	-	<b>49,875.54</b>
Profit for the year	-	-	-	2,397.07	-	2,397.07
Other comprehensive income (net of tax) :						
Impact of Remeasurement of Defined Benefit plans	-	-	-	-	(35.55)	(35.55)
Transferred to Retained Earnings	-	-	-	(35.55)	35.55	-
<b>As at 31st March 2020</b>	<b>432.17</b>	<b>16,682.97</b>	<b>2,207.29</b>	<b>32,914.64</b>	-	<b>52,237.06</b>

Refer Note No. 16 for nature and purpose of reserves

Accompanying Notes on Financial Statements

1-48

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**

Director  
DIN : 00137014

**H.K. Verma**

Partner  
Membership No. 055104  
Place: Kolkata  
Date: July 10, 2020

**Abhishek Agarwal**  
Chief Financial Officer

**Vikram Kapur**  
Company Secretary

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## Note 1

### 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 (CSE) and The Bombay Stock Exchange Limited (BSE).

The Standalone financial statements for the year ended March 31, 2020 were approved for issue by the Board of Directors of the company on July 10, 2020 and are subject to the adoption by the Shareholders in the ensuing Annual General Meeting.

### B. Statement of Compliance and Recent Accounting Pronouncements

#### i) Statement of Compliance

These Standalone financial statements are prepared on a going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent notified and applicable.

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

#### ii) Application of new and revised standards

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to its leasehold assets under modified retrospective approach with cumulative effect of initial recognition being given effect to on the date of application. Consequently, such assets have been recognised as "Right of Use" and have been amortised over the term of lease. Further, finance cost in respect of lease liability has been measured and considered in these standalone financial statements. Previously charge on account of this was recognised as lease rent in terms of the agreement. Overall impact on the implementation of Ind AS 116 has however been disclosed in Note No. 41.5.

Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes' have also been revised with effect from the said date. Revision in these standard also did not have any material impact on the standalone financial statements.

### C. Significant Accounting Policies

#### a. Basis of Preparation

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 "Presentation of Financial Statements" and in Division II of Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lakhs 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

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 PPE or its construction cost and includes, where applicable, inward freight, duties and taxes, and other expenses related to acquisition or installation and any cost directly attributable to bringing 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 utilised 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.

When parts of an item of PPE have different useful life's, they are accounted for as separate items (major components) of the PPE.

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 in which they are incurred.

The company's lease assets comprising of Land and Building has been separately shown under PPE as Right of Use (ROU) Assets.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, Such items are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Amount paid towards acquisition of Property, Plant and Equipment outstanding as at each reporting date are recognized as capital advance under "Other Non-Current Assets".

### Depreciation

Depreciation on Property, Plant and Equipment is provided as per Schedule II of the Companies Act, 2013 on straight line method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

### No depreciation is charged on Freehold land.

Depreciation on ROU assets is provided over the lease term or expected useful life of the asset, whichever is lower and depreciation on Property, Plant and Equipment (other than leasehold land) 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	3-30
Plant and Equipment	3-20
Furniture and fixtures	10
Vehicles	8-10

## Notes to Standalone Financial Statements for the year ended March 31, 2020

The residual value of an item of Property, Plant and Equipment has been kept at 5 percent or less of the cost of the respective assets.

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

### d. Intangible Assets

Intangible assets are stated at cost of acquisition comprising of purchase price inclusive of duties and taxes less accumulated amortization and impairment losses if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Amortization on Intangible Assets 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)
Computer Software	6

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

### e. De-recognition 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 continued 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. Leases

The Company's lease asset classes primarily consist of land and building premises taken on lease for residential and official accommodation. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU Assets") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head "Other Financial Liabilities" whereas Right of Use Assets have been disclosed separately as a part of Property, Plant and Equipment.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 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. 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.

### 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 Instruments - 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 twelve months 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 (referred to as "FVTPL") or at Fair Value through Other Comprehensive Income (referred to as "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 and cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 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.

The Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (referred to as "EIR") method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### 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 (2) and (3) 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 Financial Liabilities at Fair value through profit or loss (FVTPL)

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 and loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

### 5) Impairment of financial assets

The Company evaluates whether there is any objective evidence that financial assets measured at amortise costs including trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Company bases the estimates on the ageing of the receivables, credit-worthiness of the receivables and historical write-off experience and variation in the credit risk on year to year basis.

Lifetime expected credit losses are the expected credit losses(ECL) that result from all possible default events over the expected life of a financial instrument. The company measures the loss allowance for a financial assets 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. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

In case of trade receivables or contract assets 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 where maximum contractual period is considered over which the Company is exposed to credit risks

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 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 to Retained earnings.

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.

### 7) Derivative financial instruments and hedging activities

The company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis to reduce the risk associated with the exposure being hedged.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/liability, at fair value through profit or loss. Transaction costs attributable to the same are also recognized in statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognized in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### **l. Foreign Currency Transactions**

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 as at the date of transaction. 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. Foreign exchange gain or loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

### **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 plans such as Provident Fund, Employee Pension Scheme etc, is being made in accordance with statute and are recognised as and when incurred.

Employees benefits using defined benefit plans are recognised using actuarial valuation techniques at the close of each year. Remeasurements comprising of actuarial gains and losses, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ("OCI") in the period in which they occur. Remeasurements are not reclassified to Profit or Loss in subsequent periods. The Liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date. The defined benefit obligation is calculated by external actuaries using the projected Unit credit method.

### **p. Revenue Recognition**

#### **1. Revenue from Operations**

Revenue is measured based on the considerations specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and /or products/services are delivered/provided to the customers. The delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer

## Notes to Standalone Financial Statements for the year ended March 31, 2020

has either accepted the products in accordance with contract or the company has sufficient evidence that all the criteria for acceptance has been satisfied. Returns, discounts and rebates collected, if any, are deducted there from sales.

### 2. Other Income

#### Interest, Dividend and Claims:

Dividend income is recognized when the right to receive payment is established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue in respect of claims of insurance, etc. are recognized only when there is reasonable certainty as to the ultimate collection.

### q. Borrowing Costs

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

### r. Government Grants

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

### s. Taxes on Income

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

#### Current Tax

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. Advance tax and provisions are presented in the balance sheet after setting off advance tax paid and income tax provision for the current year.

#### Deferred Tax

Deferred tax is accounted by using the balance sheet liability method in respect of 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 as well as for unused tax losses or credits. In principle 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 Asset & Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities & where deferred tax assets & liabilities relate to income tax levied by the same taxation authority.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when

## Notes to Standalone Financial Statements for the year ended March 31, 2020

the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

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.

### t. Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

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

### u. Segment Reporting

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

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

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

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

### a. Arrangements containing leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### b. Depreciation / amortization and impairment on Property, Plant and Equipment / Intangible assets.

Property, plant and equipment, ROU Assets and intangible assets are depreciated/amortized on Straight-Line Basis over the estimated useful lives (or lease term if shorter) in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated useful life and 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 assets 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

## Notes to Standalone Financial Statements for the year ended March 31, 2020

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.

### 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. Current Tax and Deferred Tax

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.

Significant management judgement is required to determine the amount of deferred tax assets/liability that can be recognised, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of Deferred Tax Liability and based on the likely timing and level of profitability in future and expected utilisation of deferred tax there against.

### 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 Standalone Financial Statements for the year ended March 31, 2020

### 2. Property Plant and Equipment

Particulars	Rupees in Lakhs							
	Freehold Land	Land-Right-of-Use (Refer Note No. 41)	Building-Right-of-Use (Refer Note No. 41)	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
<b>(A) Gross Carrying Amount</b>								
<b>As at March 31,2018</b>	<b>952.11</b>	-	-	<b>6,740.97</b>	<b>50,751.96</b>	<b>312.95</b>	<b>1,977.13</b>	<b>60,735.12</b>
Additions	-	-	-	720.02	566.74	13.43	60.08	1,360.27
Disposal / Adjustments	-	-	-	-	(50.29)	-	(10.68)	(60.97)
<b>As at March 31,2019</b>	<b>952.11</b>	-	-	<b>7,460.99</b>	<b>51,268.41</b>	<b>326.38</b>	<b>2,026.53</b>	<b>62,034.42</b>
Additions / Adjustments (Refer Note No. 2.2)	-	1,585.82	53.32	13.80	127.80	309.16	110.01	2,199.90
Disposal / Adjustments	-	-	-	-	(85.01)	-	(44.94)	(129.95)
Other Adjustments	-	-	-	(0.21)	-	-	-	(0.21)
<b>As at March 31,2020</b>	<b>952.11</b>	<b>1,585.82</b>	<b>53.32</b>	<b>7,474.58</b>	<b>51,311.20</b>	<b>635.54</b>	<b>2,091.60</b>	<b>64,104.16</b>
<b>(B) Accumulated Depreciation</b>								
<b>As at March 31,2018</b>	-	-	-	<b>541.84</b>	<b>8,202.93</b>	<b>79.07</b>	<b>642.53</b>	<b>9,466.37</b>
Charge for the period	-	-	-	305.45	3,942.98	42.77	325.48	4,616.68
Disposal / Adjustments	-	-	-	-	(11.33)	-	(7.96)	(19.29)
<b>As at March 31,2019</b>	-	-	-	<b>847.29</b>	<b>12,134.58</b>	<b>121.84</b>	<b>960.05</b>	<b>14,063.76</b>
Charge for the period (Refer Note No. 2.2)	-	66.09	10.66	301.67	3,778.48	69.17	321.01	4,547.08
Disposal / Adjustments	-	-	-	-	(79.46)	-	(24.28)	(103.75)
Other Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31,2020</b>	-	<b>66.09</b>	<b>10.66</b>	<b>1,148.96</b>	<b>15,833.60</b>	<b>191.01</b>	<b>1,256.77</b>	<b>18,507.09</b>
<b>(C) Net Carrying Amount (A-B)</b>								
<b>As at March 31,2018</b>	<b>952.11</b>	-	-	<b>6,199.13</b>	<b>42,549.03</b>	<b>233.88</b>	<b>1,334.60</b>	<b>51,268.75</b>
<b>As at March 31,2019</b>	<b>952.11</b>	-	-	<b>6,613.70</b>	<b>39,133.83</b>	<b>204.54</b>	<b>1,066.48</b>	<b>47,970.66</b>
<b>As at March 31,2020</b>	<b>952.11</b>	<b>1,519.73</b>	<b>42.66</b>	<b>6,325.62</b>	<b>35,477.61</b>	<b>444.53</b>	<b>834.82</b>	<b>45,597.09</b>

#### Notes:

2.1 Refer Note No. 17.1 and 22.1 to standalone financial statement in respect of charge created on Property, Plant and Equipment against borrowings.

2.2 'Right-of-Use(ROU)' Assets relates to land and building premises taken on lease and recognised as 'Right of Use' in terms of Ind AS 116 on implementation with effect from April 01, 2019. Adjustments during the year include reclassification as on April 01, 2019 with respect to ROU asset on implementation of "Ind AS 116" with corresponding increase of such assets being shown under addition during the year. (Also refer Note No. 41)

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 2A Capital Work-In-Progress

Rupees in Lakhs

Particulars	As at April 01, 2019	Additions	Capitalised	As at March 31, 2020
Asset under Construction	2,158.32	11,96.01	318.15	30,36.18
Land and other Development	130.00	23.40	-	153.40

Rupees in Lakhs

Particulars	As at April 01, 2018	Additions	Capitalised	As at March 31, 2019
Asset under Construction	1742.66	866.25	450.59	2,158.32
Land and other Development	405.00	-	275.00	1,30.00

## 3. Intangible Assets

Rupees in Lakhs

Particulars	Computer Software
<b>(A) Gross Carrying Amount</b>	
As at March 31,2018	19.39
Additions	3.75
Disposal	-
As at March 31,2019	23.14
Additions	-
Disposal / Adjustments	-
As at March 31,2020	23.14
<b>(B) Accumulated Amortisation</b>	
As at March 31,2017	6.47
Charge for the period	6.46
As at March 31,2018	12.93
Charge for the period	6.92
As at March 31,2019	19.85
Charge for the period	0.51
As at March 31,2020	20.36
<b>(C) Net Carrying Amount (A-B)</b>	
As at March 31,2018	6.46
As at March 31,2019	3.29
As at March 31,2020	2.78

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 4 Non Current Investments

Rupees in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Measured at Cost, Unquoted</b>				
<b>Investments in equity Instruments of Subsidiaries</b>				
Sail Bansal Service Centre Limited (Face Value ₹10 each)	48,00,000	480.00	48,00,000	480.00
Confident Financial Consultancy Private Limited (Face Value ₹10 each)	2,93,000	17.40	2,93,000	17.40
Perfect Investment Consultancy Private Limited (Face Value ₹10 each)	3,04,000	19.54	3,04,000	19.54
Sidhant Investment Advisory Private Limited (Face Value ₹10 each)	4,98,000	32.64	4,98,000	32.64
Sidhi Vinayak Commosales Private Limited (Face Value ₹10 each)	2,95,000	18.66	2,95,000	18.66
Shri Hari Vincom Private Limited (Face Value ₹10 each)	3,29,000	21.81	3,29,000	21.81
Narayan Dealcom Private Limited (Face Value ₹10 each)	4,22,000	26.79	4,22,000	26.79
Fairplan Vintrade Private Limited (Face Value ₹10 each)	3,94,000	25.39	3,94,000	25.39
Nageshwar Tradelink Private Limited (Face Value ₹10 each)	3,70,000	23.46	3,70,000	23.46
		<b>665.69</b>		<b>665.69</b>
<b>4.1 Aggregate amount of unquoted investments</b>		<b>665.69</b>		<b>665.69</b>

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

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company	
			As at	As at
			March 31, 2020	March 31, 2019
Sail Bansal Service Centre Limited	Manufacturing	India	60.00%	60.00%
Confident Financial Consultancy Private Limited	Investment	India	100.00%	100.00%
Perfect Investment Consultancy Private Limited	Investment	India	100.00%	100.00%
Sidhant Investment Advisory Private Limited	Investment	India	100.00%	100.00%
Sidhi Vinayak Commosales Private Limited	Investment	India	100.00%	100.00%
Shri Hari Vincom Private Limited	Investment	India	100.00%	100.00%
Narayan Dealcom Private Limited	Investment	India	100.00%	100.00%
Fairplan Vintrade Private Limited	Investment	India	100.00%	100.00%
Nageshwar Tradelink Private Limited	Investment	India	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 No. 4 Above

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 5. Other Financial Assets- Non Current

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered good unless otherwise stated)</b>			
<b>At amortised cost</b>			
(a) Security Deposits		533.45	521.37
(b) Fixed Deposit with Bank (having maturity more than 12 months)		263.72	159.32
(c) Grant Receivable	5.2	-	90.00
		<b>797.17</b>	<b>770.69</b>

#### Notes:

**5.1** Fixed Deposits with bank amounting ₹ 1073.19 Lakhs (Previous Year ₹ 1053.52 Lakhs) are kept as lien against Bank Guarantee and letter of Credit to Customers and Suppliers and borrowings with Banks.

#### 5.2 Nature and Extent of Grant

Represents grant of ₹ 450 Lakhs approved on 29th October 2015 for investment in Plant and 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 2016-2017.

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

### 6. Other Non Current Assets

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Capital Advances		1,988.24	1,897.54
(b) Advances other than Capital Advances			
(i) Prepayments	41	-	188.42
(ii) Prepaid Expenses		8.08	-
(iii) Deferred Loss on fair valuation of Financial instruments		-	0.69
		<b>1,996.32</b>	<b>2,086.65</b>

**6.1** Capital Advance includes ₹ 1366.77 lakhs (March 31, 2019 ₹ 1366.77 lakhs) given to a foreign supplier against purchase of certain Equipments for which the order have been cancelled and the amount shall be adjusted against future supplies of Equipments to be procured by the Company from the said supplier.

### 7. Inventories (Valued at Lower of cost or estimated Net Realisable value)

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Raw materials		9,145.09	9,477.13
(b) Finished goods		6,187.75	6,424.26
(c) Work in Progress		3,042.68	2,971.80
(d) Stores and Spares		2,339.74	2,216.34
		<b>20,715.26</b>	<b>21,089.53</b>

#### Notes:

**7.1** Refer Note No. 17.1 and 22.1 to standalone financial statement in respect of charge created on Inventories against borrowings.

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 8. Current Trade Receivables

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		12,234.14	19,439.77
		<b>12,234.14</b>	<b>19,439.77</b>

### Notes:

**8.1** Trade Receivables are non interest bearing and are generally on credit terms of 30 to 90 days. The ageing of Trade Receivables are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within the credit period	8,546.93	13,658.10
1-180 days past due	1,326.83	500.82
More than 180 days past due	2,360.38	5,280.85
Total	<b>12,234.14</b>	<b>19,439.77</b>

**8.2** Refer Note No. 17.1 and 22.1 to standalone financial statement in respect of charge created on Trade Receivable against borrowings.

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

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

**8.4** Refer Note No. 46 of standalone financial statement.

## 9. Cash and cash equivalents (As certified by the management)

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Balances with banks			
In Current accounts		30.98	40.11
in Fixed Deposit (having original maturity of less than 3 months)		44.37	19.83
(b) Cheques on hand		173.94	200.94
(c) Cash on hand		3.35	1.85
		<b>252.64</b>	<b>262.73</b>

## 10. Other Bank balances

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend (in dividend current account)	10.1	0.07	0.07
Fixed Deposit with Bank (having original maturity of more than 3 months and less than 12 Months)		765.10	874.37
		<b>765.17</b>	<b>874.44</b>

### Notes:

**10.1** 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 11. Loans

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered good unless otherwise stated)</b>			
<b>At Amortised Cost</b>			
(a) Loans to employees		81.38	109.85
(b) Loans to bodies corporate	11.1	204.05	203.30
(c) Loans to others		114.90	-
		<b>400.33</b>	<b>313.15</b>

### 11.1 Details of Loan to Bodies Corporate under Section 186 (4) of the Companies Act 2013

Name of the Bodies Corporate	Purpose of Loan	As at March 31, 2020	As at March 31, 2019
Vikram Financial Services Limited	General Corporate Loan	154.05	150.00
Sansar Vyapar Private Limited	General Corporate Loan	50.00	53.30

11.2 The above Loan carries Interest varying from 9% to 14% per annum.

## 12. Other Financial Assets

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered good unless otherwise stated)</b>			
<b>At Amortised Cost</b>			
(a) Security Deposit		31.43	37.88
(b) Grant Receivable	5.2	90.00	92.00
(c) Interest accrued on Deposits		5.42	4.54
		<b>126.85</b>	<b>134.42</b>

## 13. Other Current Assets

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Advances other than Capital advances</b>			
(a) Advances against goods and services		8,110.56	7,681.35
(b) Advance to related parties	13.1 and 13.2	208.10	293.10
(c) Balances with government authorities		28.19	5.00
(d) Prepaid expenses		44.08	40.76
(e) Prepayments	41	-	27.94
(f) Deferred Loss on fair valuation of Financial instrument		0.69	0.87
(g) Others		7.70	-
		<b>8,399.32</b>	<b>8,049.02</b>

### Notes:

13.1 Represent Loan receivable from subsidiary which is repayable on demand. However, considering that the loan so given is strategic in nature and to provide Financial Support to the subsidiary, interest has been waived and has therefore not been accrued in these accounts.

13.2 Disclosure pursuant to Regulation 34(3) of the Securities Exchange Board of India (SEBI) (Listing Obligations and disclosure requirements) Regulations, 2015.

Loans and Advances in the nature of loan to Subsidiaries	Amount Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended 2019-20	Amount Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended 2018-19
Bansal Nepal Private Limited	-	-	-	221.11
Sail Bansal Service Centre Limited	208.10	293.10	293.10	354.10

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 14. Assets classified as held for sale

Rupees in Lakhs

Particulars	Note No.	As at	As at
		March 31, 2020	March 31, 2019
Investment in equity instruments of a subsidiary	14.1	305.22	305.22
		<b>305.22</b>	<b>305.22</b>

**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, subsidiary of the company 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.

### 15. Equity Share Capital

Rupees in Lakhs

Particulars	Note No.	As at	As at
		March 31, 2020	March 31, 2019
<b>Authorised:</b>			
500,000,000 Equity Shares of ₹ 1 each (Previous Year 500,000,000 shares of ₹ 1 each)		5,000.00	5,000.00
		<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and fully paid up:</b>			
225,086,460 Equity Shares of ₹ 1 each (Previous Year 225,086,460 shares of ₹ 1 each)		2,250.86	2,250.86
		<b>2,250.86</b>	<b>2,250.86</b>

#### Notes:

**15.1** The company has one class of equity shares having a par value of ₹ 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

Name of Equity Shareholders	Number of Equity Shares Held	
	As at March 31, 2020	As at March 31, 2019
Ram Gopal Bansal	35750000	35750000
Harsh Kumar Bansal	18447250	18447250
Vivek Kumar Bansal	14022080	14022080

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 16. Other Equity

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Capital Reserve</b>			
As per last Balance Sheet		432.17	432.17
<b>As at Balance Sheet date</b>	<b>16.2</b>	<b>432.17</b>	<b>432.17</b>
<b>Securities Premium</b>			
As per last Balance Sheet		16,682.97	16,682.97
<b>As at Balance Sheet date</b>	<b>16.3</b>	<b>16,682.97</b>	<b>16,682.97</b>
<b>General Reserve</b>			
As per last Balance Sheet		2,207.29	2,207.29
<b>As at Balance Sheet date</b>	<b>16.4</b>	<b>2,207.29</b>	<b>2,207.29</b>
<b>Retained earnings</b>			
As per last balance sheet		30,553.11	26,491.67
Profit for the year		2,397.07	4,097.97
Transfer from Other Comprehensive Income		(35.55)	17.73
Less: Dividend paid		-	(45.01)
Less: Tax on Final Dividend		-	(9.25)
<b>As at Balance Sheet date</b>		<b>32,914.64</b>	<b>30,553.11</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income for the year		(35.55)	17.73
Transfer to retained earnings		35.55	(17.73)
<b>As at Balance Sheet date</b>	<b>16.5</b>	<b>-</b>	<b>-</b>
		<b>52,237.06</b>	<b>49,875.54</b>

### Notes:

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

### 16.2 Capital Reserve

Name of the Bodies Corporate	As at March 31, 2020	As at March 31, 2019
Government Grant Received	15.00	15.00
Forfeiture of Warrants convertible to Equity Shares	417.17	417.17
	<b>432.17</b>	<b>432.17</b>

### 16.3 Securities Premium

Securities Premium 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.

### 16.4 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. This includes Other Comprehensive Income/(Loss) of (₹ 51.99 Lakhs) (March 31, 2019: (₹ 16.44 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

### 16.5 Other Comprehensive Income

Other Comprehensive Income represents gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 16.4 above.

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 17. Borrowings

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
		Non current	Current	Non current	Current
<b>At Amortised Cost</b>					
<b>A. Secured</b>					
(a) Term loans					
From banks					
- Rupee Loan	17.1.1	1,971.31	3,128.90	3,740.83	2,929.31
- Foreign Currency Loan	17.1.2	-	2,270.52	2,083.38	2,559.38
From Others	17.1.3	1,531.86	382.35	-	-
(b) Vehicle Loan					
From banks	17.1.4	13.26	158.70	119.06	422.75
From Others	17.1.4	-	32.98	29.97	24.52
		<b>3,516.43</b>	<b>5,973.45</b>	<b>5,973.24</b>	<b>5,935.96</b>
<b>B. Unsecured</b>					
From Bodies Corporate	17.1.5	94.53	-	1,710.29	-
		<b>94.53</b>	<b>-</b>	<b>1,710.29</b>	<b>-</b>
<b>Total</b>		<b>3,610.96</b>	<b>5,973.45</b>	<b>7,683.53</b>	<b>5,935.96</b>

### 17.1 Nature of Security

**17.1.1** 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 three 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	Rupees in Lakhs
2020-2021	3128.90
2021-2022	971.31
2022-2023	1,034.43
<b>Total</b>	<b>5,134.64</b>

**17.1.2** 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 Plant and Machineries and Other movable fixed assets. Further secured by personal guarantee of the three 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	Rupees in Lakhs
2020-2021	2,270.51
2021-2022	-
<b>Total</b>	<b>2,270.51</b>

**17.1.3** Secured by hypothecation of first charge over the company movable and immovable fixed assets at Adityapur and Manifit units acquired thereagainst. Rate of interest being ranges from 9.25% to 10.25% and is repayable at unamortised cost as follows:

Financial Year	Rupees in Lakhs
2020-2021	382.35
2021-2022	470.59
2022-23	470.59
2023-24	470.59
2024-25	136.31
<b>Total</b>	<b>1,930.43</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2020

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

Financial Year	Rupees in Lakhs
2020-2021	191.69
2021-2022	13.26
<b>Total</b>	<b>204.95</b>

17.1.5 Interest free Unsecured Loan at unamortised cost outstanding as on March 31, 2020 is payable as per the repayment schedule as follows:

Financial Year	Rupees in Lakhs
2023-2024	94.53
<b>Total</b>	<b>94.53</b>

### 18. Non Current - Other Financial Liabilities

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>At Amortised Cost</b>			
Security Deposit		1,397.17	1,270.15
Lease Liability	41	1,451.83	-
		<b>2,849.00</b>	<b>1,270.15</b>

### 19. Non Current-Provision

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	19.1	281.30	216.22
		<b>281.30</b>	<b>216.22</b>

#### Notes:

19.1 For other disclosures, Refer Note No. 42

### 20. Deferred Tax Liabilities (Net)

The following is the analysis of Deferred Tax Liabilities / (Assets) presented in the Standalone Balance Sheet Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		(311.66)	(2,231.34)
Deferred Tax Liabilities		5,161.49	7,443.54
<b>Net deferred Tax Liabilities/(Assets)</b>		<b>4,849.83</b>	<b>5,212.20</b>

Components of Deferred tax Liabilities/(Assets) as at March 31, 2020 are given below :

Rupees in Lakhs

Particulars	As at March 31, 2019	Charges/ (Credit) recognised in the Statement of Profit and Loss	Charges/ (Credit) recognised in the Other Comprehensive Income	As at March 31, 2020
<b>Deferred Tax Assets</b>				
Defined benefit obligations	77.80	15.65	(11.96)	74.11
MAT Credit entitlement	1,985.06	1,985.06	-	-
Lease Rentals and Others	83.07	8.85	-	74.22
Fair Valuation of Financial Instruments	85.41	(77.92)	-	163.33
<b>Total Deferred Tax Assets</b>	<b>2,231.34</b>	<b>1,931.64</b>	<b>(11.96)</b>	<b>311.66</b>
<b>Deferred Tax Liabilities</b>				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	7,443.54	(2,282.05)	-	5,161.49
<b>Total Deferred Tax Liabilities</b>	<b>7,443.54</b>	<b>(2,282.05)</b>	<b>-</b>	<b>5,161.49</b>
<b>NET DEFERRED TAX LIABILITIES/(ASSETS)</b>	<b>5,212.20</b>	<b>(350.41)</b>	<b>(11.96)</b>	<b>4,849.83</b>

20.1 Also refer Note No. 36.1

## Notes to Standalone Financial Statements for the year ended March 31, 2020

Components of Deferred tax Liabilities/(Assets) as at March 31, 2019 are given below :

Rupees in Lakhs

Particulars	As at March 31, 2018	Charges/ (Credit) recognised in the Statement of Profit and Loss	Charges/ (Credit) recognised in the Other Comprehensive Income	As at March 31, 2019
<b>Deferred Tax Assets</b>				
Defined benefit obligations	10.23	(77.09)	9.52	77.80
Mat Credit entitlement	2,787.87	802.81	-	1,985.06
Lease Rentals and Others	(77.06)	(160.13)	-	83.07
Fair Valuation of Financial Instruments	-	(85.41)		85.41
<b>Total Deferred Tax Assets</b>	<b>2,721.04</b>	<b>480.18</b>	<b>9.52</b>	<b>2,231.34</b>
<b>Deferred Tax Liabilities</b>				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	7,053.78	389.76	-	7,443.54
<b>Total Deferred Tax Liabilities</b>	<b>7,053.78</b>	<b>389.76</b>	<b>-</b>	<b>7,443.54</b>
<b>NET DEFERRED TAX LIABILITIES/(ASSETS)</b>	<b>4,332.74</b>	<b>869.94</b>	<b>9.52</b>	<b>5,212.20</b>

### 21. Other Non Current Liabilities

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Deferred gain on fair valuation of financial instrument		484.72	1,397.85
(b) Deferred revenue arising from Government Grants		263.93	298.22
		<b>748.65</b>	<b>1,696.07</b>

### 22. Borrowings

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>			
<b>From Banks</b>			
Cash credit/Working capital facilities repayable on demand	22.1	18,988.79	21,425.02
<b>Unsecured</b>			
<b>From Bank</b>			
Cash credit/Working capital facilities repayable on demand		1,074.00	2,107.48
		<b>20,062.79</b>	<b>23,532.50</b>

**22.1** Cash credits of ₹ 18,551.96 Lakhs (Previous Year ₹ 21,014.83 Lakhs) from banks are secured by hypothecation of current assets including inventories and book debts and collateral security of pari pasu charge over fixed assets of the company and guaranteed by three directors of the Company.

Cash Credit of ₹ 436.83 Lakhs (Previous Year ₹ 410.19 Lakhs) is secured against Fixed Deposits Receipts (Also Refer Note No. 5.1).

### 23. Trade payables- Current

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro Enterprise and Small Enterprises	23.1	-	-
Total outstanding dues of creditors other than Micro Enterprise and Small Enterprises		809.69	3,092.14
		<b>809.69</b>	<b>3,092.14</b>

**23.1** There are no dues to Micro and Small enterprises as at March 31, 2020. 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.

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

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 24. Other Non Current Liabilities

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Financial Liabilities at amortised cost			
Current maturities of long-term debts	17	5,973.45	5,935.96
Lease Liability		9.51	
(b) Security Deposit		94.84	75.00
(c) Liabilities for Capital Goods			
Total outstanding dues of micro enterprise and small enterprises	24.1	-	-
Total outstanding dues of Creditors other than micro enterprise and small enterprises		81.33	525.88
(d) Payables to Employees		106.24	97.34
(e) Unpaid dividend		0.07	0.07
(f) Fair Value of Foreign Exchange Forwards ( Refer Note 44)		-	26.08
(g) Interest Accrued but not due		34.56	39.42
(h) Mark to Market Derivative		17.85	-
(i) Others		741.24	577.34
		<b>7,059.09</b>	<b>7,277.09</b>

**24.1** There are no dues to Micro and Small enterprises with regard to the supplier of capital goods as at March 31, 2020. 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.

## 25. Other Current liabilities

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	25.1	93.87	657.59
(b) Statutory Dues ( includes Goods and Services Tax, Provident Fund, Employees State Insurance, Tax Deducted at Source, etc.)		34.97	694.79
(c) Deferred gain on fair valuation of financial instruments		164.20	321.63
(d) Deferred revenue arising from Government Grants		34.28	34.28
		<b>327.32</b>	<b>1,708.29</b>

### 25.1 Contract Balances

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards products or services to be provided in future periods. Revenue is recognised once the performance obligation is met i.e. once the control over a product or service has been transferred to the customer.

## 26. Provisions- Current

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	26.1	13.13	6.43
		<b>13.13</b>	<b>6.43</b>

**26.1** For other disclosures, refer Note 42

## 27. Current Tax Liability ( Net)

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (Net of Advance Tax)		347.86	432.56
		<b>347.86</b>	<b>432.56</b>

**27.1** Provision for Tax is net of Advance Tax including Tax deducted at Source of ₹ 1248.77 lakhs (March 31, 2019 ₹ 8275.24 lakhs).

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 28. Revenue from Operations

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Sale of Products		20,197.64	35,816.54
(b) Conversion Income		37,649.39	38,473.44
(c) Other Operating Revenue			
Transportation Charges, Supervision and Services		2,221.97	7,768.29
Others - Brokerage		-	199.34
		<b>60,069.00</b>	<b>82,257.60</b>

#### Notes

#### 28.1 Disaggregation of Revenue

##### Revenue based on Geography

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Domestic		60,069.00	82,241.68
Export		-	15.92
<b>Total</b>		<b>60,069.00</b>	<b>82,257.60</b>

### 29. Other Income

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income			
- On Financial Instruments measured at amortised Cost	29.1	1,071.42	1,780.63
- on deposits		131.20	219.60
<b>Other non-operating income (net of expenses directly attributable to such income)</b>			
(b) Government Grant		34.28	34.28
(c) Profit on sale of Property, Plant and Equipment		-	134.95
(d) Liabilities no longer required written back		108.71	233.14
(e) Dividend from the subsidiary company		12.00	7.20
(f) Miscellaneous Income		81.07	36.59
		<b>1,438.68</b>	<b>2,446.39</b>

29.1 includes ₹ 915.52 Lakhs (Previous Year ₹ 1489.48 Lakhs) arising due to fair value adjustments on prepayments of certain non-current borrowings during the year. Correspondingly, ₹ 1240.87 Lakhs (Previous Year ₹ 1750.20 lakhs) in this respect have been shown under Interest Expenses. (Refer Note 33.1).

### 30. Cost of Materials Consumed

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials Consumed		31,015.44	47,183.58
		<b>31,015.44</b>	<b>47,183.58</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 31. Changes in stock of finished goods, stock in trade and work-in-progress

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening Stock</b>			
Finished Goods		6,424.25	6,726.18
Work in Progress		2,971.80	2,872.36
		<b>9,396.05</b>	<b>9,598.54</b>
<b>Less: Closing Stock</b>			
Finished Goods		6,187.75	6,424.26
Work in Progress		3,042.68	2,971.80
		<b>9,230.43</b>	<b>9,396.06</b>
<b>(Increase)/ Decrease in Inventories of Finished goods, Stock-in - Trade and Work-in-Progress</b>		<b>165.62</b>	<b>202.48</b>

### 32. Employee benefits expense

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages		2,397.66	2,608.05
(b) Contribution to provident fund	42	96.35	90.72
(c) Staff welfare expenses		50.57	294.06
		<b>2,544.58</b>	<b>2,992.83</b>

### 33. Finance Costs

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest on Financial Liabilities at Amortized Cost</b>			
on Borrowings	33.1	4,387.53	5,626.93
on Lease Liabilities	33.2	128.71	
		<b>4,516.24</b>	<b>5,626.93</b>

33.1 includes ₹ 1240.87 Lakhs (Previous Year ₹ 1750.20 lakhs) arising due to fair value adjustments on prepayments of certain non-current borrowings during the year. Correspondingly, ₹ 915.52 Lakhs (Previous Year ₹ 1489.48 Lakhs) in this respect have been shown under Other Income. (Refer Note 29.1)

33.2 The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 and has applied the same to its existing leases using modified retrospective approach. Accordingly, previous period information has not been restated and is not comparable to that extent (also Refer Note No. 41)

### 34. Depreciation and Amortisation Expenses

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
on Property, Plant and Equipment (including Right-of-Use-Assets)	2	4,547.08	4,616.68
on Intangible Assets		0.51	6.92
		<b>4,547.59</b>	<b>4,623.60</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 35. Other Expenses

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares		1,412.22	3,298.28
Power and Fuel		6,507.63	5,501.11
Rent	35.1	248.87	290.81
Repairs and Maintenance to Building and Machinery		386.63	253.94
Rates and Taxes	35.2	224.73	100.39
Transportation Charges Paid		1,259.14	1,802.91
Directors' Sitting Fees		1.16	1.06
Carriage inward		396.10	484.98
Loss on Sale of Assets		9.72	-
Auditor's Remuneration	35.3	25.00	30.70
Irrecoverable Balances written off		1,689.16	1,429.34
Exchange Difference Loss		179.29	435.64
Loss on Mark to Market Margin derivative		17.85	-
Corporate Social Responsibility	35.4	114.65	111.99
Miscellaneous expenses		3,086.42	3,706.76
		<b>15,558.57</b>	<b>17,447.92</b>

**35.1** The Company has incurred ₹ 248.87 Lakhs and 290.81 Lakhs for the year ended March 31, 2020 and March 31, 2019 respectively towards rental expenses relating to short term leases and leases of low value assets. The total cash outflow for leases is ₹ 248.87 Lakhs and 290.81 Lakhs for the year ended March 31, 2020 and March 31, 2019 respectively.

**35.2** Includes ₹ 82.88 Lakhs (March 31, 2019 ₹ Nil) being payment made to Central Board of Excise and Custom Authorities under Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019

### 35.3 Auditor's Remuneration includes:

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Audit Fees		15.00	15.00
(b) Tax Audit Fees		6.00	6.00
(c) Certifications and other Services		4.00	9.70
		<b>25.00</b>	<b>30.70</b>

### 35.4 Corporate Social Responsibility

Includes Rs 114.65 lakhs (March 31, 2019 Rs 111.99 lakhs) on account of Corporate Social Responsibility(CSR). Gross Amount required to be spent by the Company during the year Rs 114.44 lakhs (March 31, 2019 ₹ 99.18 lakhs). Also Refer Note 35.5.1 and 35.5.2

#### 35.4.1 Amount Spent during the year 2019-2020

Rupees in Lakhs

Particulars	In Cash	Total Yet to Be Paid in cash	Total
i. Construction/acquisition of any assets	NIL	Nil	NIL
ii. On purpose other than (i) above			
(a) By way of contribution to Trust setup for the said purpose	114.65	Nil	114.65
(b) Chief Minister Distress relief Fund	-		0.00

#### Amount Spent during the year 2018-2019

Rupees in Lakhs

Particulars	In Cash	Total Yet to Be Paid in cash	Total
i. Construction/acquisition of any assets	NIL	Nil	NIL
ii. On purpose other than (i) above			
(a) By way of contribution to Trust setup for the said purpose	110.99	Nil	110.99
(b) Chief Minister Distress relief Fund	1.00	Nil	1.00

# Notes to Standalone Financial Statements for the year ended March 31, 2020

## 36. Tax Expense

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current Tax</b>			
Provision for current tax		1,112.98	1,364.57
<b>Total Current tax expense recognised in the current year</b>		<b>1,112.98</b>	<b>1,364.57</b>
<b>Deferred Tax</b>			
In respect of Current Year		(350.41)	869.94
<b>Total Deferred tax expense recognised in the current year</b>		<b>(350.41)</b>	<b>869.94</b>
<b>Total Tax expense recognised in the current year in Profit and Loss</b>		<b>762.57</b>	<b>2,234.51</b>

**36.1** The Company has during the year ended March 31, 2020 exercised the options for paying income tax at concessional rates subject to the compliances, conditions as specified under section 115BAA of the Income Tax Act 1961, (new tax regime) effective April 01, 2019 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and promulgated as the Taxation laws (Amendment) Act, 2019 enacted on December 11, 2019. Accordingly, Deferred Tax Liability (net) recognised earlier as at March 31, 2019 has been remeasured and the estimate for tax expense comprising of both current and deferred tax for the year ended March 31, 2020 have been revised. Consequential impact in this respect has been given effect to during the current year. Accordingly, charge on account of taxation is lower by ₹ 27.45 lakhs.

### 36.2 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 :

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Profit before tax</b>	3,159.64	6,332.48
Income tax expense calculated at 25.17% and 34.94% for March 31, 2020 and March 31, 2019 respectively as applicable for corporate entities on taxable profits under the Indian tax laws.	795.28	2,212.82
<b>Add: Effect of Expenses that are not deductible in determining taxable profit</b>		
Effect of fair valuation of Financial assets and Financial Liabilities		21.69
<b>Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit</b>		
Effect of change in tax rate and others	32.71	-
<b>Income Tax recognised in the Statement of profit and loss</b>	<b>762.57</b>	<b>2,234.51</b>

The tax rate used for reconciliations above is the corporate tax rate of 22% plus applicable surcharge and cess etc. payable by corporate entities in India on taxable profits under the Indian tax laws.

### 36.3 Income Tax recognised in Other Comprehensive Income

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Deferred tax (charge)/ Credit on</b>		
Remeasurement of defined benefit obligation	11.96	(9.52)
<b>Total income tax recognised in other comprehensive income</b>	<b>11.96</b>	<b>(9.52)</b>
<b>Bifurcation of the income tax recognized in Other comprehensive income into :</b>		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	11.96	(9.52)

### 36.4 Components of Other Comprehensive Income

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to profit or (loss)		
Remeasurement of defined benefit obligation(Net of Tax)	(35.55)	17.73
	<b>(35.55)</b>	<b>17.73</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 37. Contingent Liabilities and Commitments (to the extent not provided for)

#### A. Contingent Liabilities

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the Company not acknowledged as Debt</b>		
i. Counter guarantee issued by company to bank, in respect of bank guarantee issued	5,243.18	4,730.29
ii. Income tax demands under appeal - Disallowances contested by the Company	178.34	178.34
iii. Sales Tax Demand Under appeal - Disallowances of Input Tax credits	115.52	115.52

**37.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 expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of (iii) and (iv) above are dependent upon the outcome of judgments / decisions.

#### B. Capital and Other Commitment

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments {net of advances of ₹ 1988.24 lakhs (March 31, 2019- ₹ 1897.54 lakhs)}	200.32	600.32

#### 37.B.1 Disclosure as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets

##### Contingent Assets

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, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

**38.** 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.

### 39. Earnings Per Share

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Profit after Tax for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss (₹)	2,397.07	4,097.97
(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 (₹)	1	1
(c) Earnings per share of Equity share of ₹1 each (in ₹) - Basic (a/b(i))	1.07	1.82
(d) Earnings per share of Equity share of ₹1 each (in ₹) - Diluted (a/b(ii))	1.07	1.82

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 40 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

Rupees in Lakhs

Particulars	2019-20	2018-19
<b>Revenue by Geographical market</b>		
Sale of Products and Services		
- Domestic	60,069.00	82,241.68
- Export	-	15.92
<b>Total</b>	<b>60,069.00</b>	<b>82,257.60</b>
<b>Assets</b>		
Trade Receivable		
- Within India	12,234.14	19,439.77
- Outside India	-	-
<b>Total</b>	<b>12,234.14</b>	<b>19,439.77</b>

#### (iii) Information about Major Customer

Revenue from Conversion Income of steel and steel products include sale of service to one Public Company pertaining to the Steel sector which account for more than 10% and amounting to ₹ 362,79.14 lakhs (March 31,2019 - ₹ 335,13.58 lakhs) in aggregate of the total revenue of the Company.

### 41. Disclosure as per Ind AS 116 "Leases"

The Company has adopted Ind AS 116 'Leases' with effect from 1st April, 2019 and applied the Standard to lease contracts existing on 1st April, 2019 using the modified retrospective method , and therefore, comparatives for the year ended 31st March 2019 have not been restated.

The following is the summary of practical expedients elected on initial application:

- (i) Applied the practical expedient to the transactions previously identified as leases under Ind AS 17.
- (ii) Applied the exemption not to recognize Right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

41.1 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Rupees in Lakhs

Particulars	Land and Building
<b>As at April 1, 2019</b>	-
Reclassified on account of adoption of Ind AS 116 "Leases" (Refer Note 6 and 13)	426.13
Addition	1,213.01
Deletion	-
Depreciation	76.75
<b>As at March 31, 2020</b>	<b>1,562.39</b>

41.2 The following is the break-up of current and non-current lease liabilities:

Rupees in Lakhs

Particulars	As at March 31, 2020
Current lease liabilities	9.51
Non-current lease liabilities	1,451.83
<b>Total</b>	<b>1,461.34</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2020

41.3 The following is the movement in lease liabilities:

Rupees in Lakhs

Particulars	For the year ended March 31, 2020
As at April 1, 2019	-
Reclassified on account of adoption of Ind AS 116 "Leases" (Refer Note 6 and 13)	209.76
Additions	1,163.92
Finance cost accrued during the period	128.71
Deletions	-
Payment of lease liabilities	(41.05)
<b>As at March 31, 2020</b>	<b>1,461.34</b>

41.4 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rupees in Lakhs

Particulars	As at March 31, 2020
Not later than one year	49.67
Later than one year and not more than five years	160.52
Later than five years	2,47,644.44

41.5 Consequent to this, such assets amounting to ₹1639.14 lakhs have been recognised as "Right-of-use" assets which includes ₹ 426.13 lakhs considered in previous year and now being so reclassified consequent to the adoption of said standard. Depreciation charge of ₹ 76.75 lakhs for Right-of-use assets is included under depreciation and amortization expense in the Statement of Profit and Loss. Finance cost in respect of corresponding lease liabilities of ₹ 128.71 lakhs has been measured and considered in these financial statements. Further, Cash inflows from operating activities and cash outflows from financing activities on account of lease payments has increased by ₹ 41.05 lakhs and ₹ 41.05 lakhs respectively. Rental expenses for the year is lower by ₹ 49.67 lakhs and thereby Profit before taxes is lower by ₹ 155.79 lakhs.

### 42. 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 :

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	96.35	90.72

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 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.

A. Change in fair value of Defined Benefit Obligation :		Rupees in Lakhs	
For Gratuity (Unfunded)	2019-20	2018-19	
Present Value of Defined Benefit Obligations as at the beginning of the year	222.65	241.74	
Current Service Cost	35.09	27.74	
Past Service Cost	-	-	
Interest Cost	17.01	18.61	
Benefit Paid	(27.84)	(38.19)	
Actuarial (Gain) / Losses	47.51	(27.25)	
<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b>294.42</b>	<b>222.65</b>	
B. Change in Fair Value of plan Assets :		Rupees in Lakhs	
For Gratuity (Unfunded)	2019-20	2018-19	
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)	-	-	
<b>Fair value of plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>	
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:		Rupees in Lakhs	
For Gratuity (Unfunded)	2019-20	2018-19	
Present Value of Defined Benefit Obligations as at the end of the year	294.42	222.65	
Fair value of Plan Assets at the end of the year	-	-	
<b>Liability /(Assets) recognized in the Balance Sheet</b>	<b>294.42</b>	<b>222.65</b>	
D. Components of Defined Benefit Cost		Rupees in Lakhs	
For Gratuity (Unfunded)	2019-20	2018-19	
Current Service Cost	35.09	27.74	
Past Service Cost	-	-	
Interest Cost	17.01	18.61	
Expected Return on Plan Assets	-	-	
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	47.51	(27.25)	
<b>Total Defined Benefit Cost recognized in the Statement of Profit and Loss and OCI</b>	<b>99.60</b>	<b>19.10</b>	
E. Principal Actuarial Assumptions used		Rupees in Lakhs	
For Gratuity (Unfunded)	2019-20	2018-19	
Discounted Rate (per annum) Compound	6.85%	7.75%	
Salary Inflation Rate	6.00%	6.00%	
Mortality Rate	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	
Attrition Rate	1.00%	1.00%	
Retirement age	58 Years	58 Years	
Expected Rate of return on Plan Assets	NA	NA	

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### F. Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact) Rupees in Lakhs

Experience History	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Defined Benefit Obligations	294.42	222.65	241.74	253.52	192.60
Fair value of Plan Assets	-	-	-	-	-
Status [Surplus/(Deficit)]	294.42	222.65	241.74	253.52	192.60
Experience Adjustment on Plan Assets [Gain/(Loss)]					
Experience Adjustment on Obligation [Gain/(Loss)]					

### G. Sensitivity analysis Rupees in Lakhs

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
	Discount Rate (-/+ 0.5%)	276.60	313.40	209.45
%Change Compared to base due to sensitivity	-6.050%	6.630%	-5.930%	6.490%
Salary Growth (-/+ 0.5%)	313.40	276.76	236.87	259.60
%Change Compared to base due to sensitivity	6.440%	-6.000%	6.380%	-5.940%
Attrition Rate (-/+ 0.5%)	294.78	294.05	223.21	222.08
%Change Compared to base due to sensitivity	0.120%	-0.120%	0.250%	-0.250%
Mortality Rate (-/+ 10%)	-	-	-	-
%Change Compared to base due to sensitivity	-	-	-	-

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) Rupees in Lakhs

Particulars	Gratuity (₹)
April 01, 2020 to March 31, 2021	13.13
April 01, 2021 to March 31, 2022	12.40
April 01, 2022 to March 31, 2023	6.61
April 01, 2023 to March 31, 2024	14.16
April 01, 2024 to March 31, 2025	11.67
April 01, 2025 Onwards	125.78

### I. Average number of people employed Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Average number of people employed	658	599

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 43. 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:

<b>Subsidiaries</b>	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
	Nippon Cryo Private Limited (Step Down Subsidiary)
	BMW Iron and Steel Industries Limited (Step Down Subsidiary)
	Bansal Nepal Private Limited (Refer Note No. 14.1)
<b>Key Managerial Personnel</b>	Ram Gopal Bansal
	Harsh Kumar Bansal
	Vivek Kumar Bansal
<b>Enterprises over which Key Managerial Personnel has significant influence</b>	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

Rupees in Lakhs

Nature of Transactions	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(i) Sales</b>			
Sail Bansal Service Centre Limited		4.00	4.66
<b>(ii) Rent Paid</b>			
Ram Gopal Bansal		15.00	15.00
<b>(iii) Remuneration</b>			
Ram Gopal Bansal	43.F	91.00	156.00
Harsh Bansal		120.00	120.00
Vivek Bansal		120.00	120.00
Subhash Chandra Gupta		10.00	
<b>(iv) Purchase</b>			
Sail Bansal Service Centre Limited		-	-
<b>(v) Rent Received</b>			
JIT Transport Organisation		25.20	25.20
<b>(vi) Intercorporate Loan Repaid (At Unamortised Cost)</b>			
Perfect Investment Consultancy Private Limited		-	183.99
Shri Hari Vincom Private Limited		-	228.00
<b>(vii) Irrecoverable balances Written Off</b>			
Bansal Nepal Private Limited		-	221.11
<b>(viii) Dividend Received</b>			
Sail Bansal Service Centre Limited		12.00	7.20

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### C) Balances of Related parties is as follows:

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(i) Outstanding Balances (Receivables)</b>			
Sail Bansal Service Centre Limited - Advance	13	208.10	293.10
Sail Bansal Service Centre Limited - Trade Receivables		0.62	-
JIT Transport Organisation		19.63	90.30

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

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits		331.00	396.00
Post-employment benefits*		-	-

\*Excluding contribution to gratuity fund

In respect of above parties there is a provision of ₹ NIL (March 31, 2019 NIL) as on March 31, 2020 and ₹ NIL (March 31, 2019 ₹ 221.11 lakhs) has been written off during the year 2019-2020 in respect of debts due from them.

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

F) Mr. Ram Gopal Bansal, whole-time Director and Chairman of the Company has waived his remuneration with effect from November 01, 2019 till March 31, 2020.

## 44. Financial Instruments

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

Rupees in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	12,234.14	12,234.14	19,439.77	19,439.77
Cash and cash equivalents	252.64	252.64	262.73	262.73
Other Bank Balances	765.17	765.17	874.44	874.44
Investments in Subsidiaries	665.69	665.69	665.69	665.69
Loans	400.33	400.33	313.15	313.15
Other Financial Assets	924.02	924.02	905.12	905.12
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	29,647.20	29,647.20	37,151.99	37,151.99
Trade Payables	809.69	809.69	3,092.14	3,092.14
Other Financial Liabilities	3,934.64	3,934.64	1,315.06	1,315.06
Derivative - not designated as hedging instruments: Forward	-	-	26.08	26.08

### Fair Valuation Techniques

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

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

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

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

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

## Notes to Standalone Financial Statements for the year ended March 31, 2020

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.

Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place. The inputs used for forward contracts are Forward foreign currency exchange rates.

### Derivative Instruments

The Company follows risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

- i) The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

#### As on March 31, 2020

Category	Currency	Number of Deals	Amount in USD (Lakhs)	Underlying Purpose
Interest Rate Swap	USD/ INR	One	30.12	External Commercial Borrowings

#### As on March 31, 2019

Category	Currency	Number of Deals	Amount in USD (Lakhs)	Underlying Purpose
Forward	USD/ INR	One	9.21	External Commercial Borrowings

- ii) Unhedged Foreign Currency exposures are as follows: -

Nature	Currency	Amount in Foreign Currency (USD in Lakhs)	
		As at March 31,2020	As at March 31,2019
External Commercial Borrowings	USD	30.12	58.89

The table below analyses the derivative financial instruments into relevant maturity groups based on the remaining period as of the balance sheet date:

Particulars	Amount in Foreign Currency (USD in Lakhs)	
	As at March 31,2020	As at March 31,2019
Not Later than One Month	-	-
Later than one month and not later than three months	-	-
Later than three months and not later than one year	-	9.21
Later than one year	-	-

### 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. this however, does not take into account the possible effect of prevailing pandemic due to outbreak of COVID-19 being based on future development and currently not determinable as dealt with in Note no. 46.

### 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### Interest Rate Risk

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

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

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

Rupees in Lakhs			
Nature of Borrowing	Increase in basis points	For the year ended March 31, 2020	For the year ended March 31, 2019
Rupee Loan	+0.50	(485.99)	463.00
Foreign Currency Loan	+0.50	105.77	117.79

A decrease in 0.50 basis point in Rupee Loan and Foreign Currency 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:

Rupees in Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
	Borrowings	Borrowings
USD	2,270.51	4,642.76

Rupees in Lakhs		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payables (Weaking of INR by 5%)		
USD	(113.53)	(232.14)

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.

## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 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.

### Interest rate and currency of borrowings

As at March 31, 2020

Rupees in Lakhs

Particulars	Total Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings	Interest free borrowings	Weighted average interest rate (%)
Borrowings in INR	27,376.69	596.30	24,069.25	2,711.13	9.73%
Borrowings in Foreign Currency (USD)	2,270.51	-	2,270.51	-	7.31%

As at March 31, 2019

Rupees in Lakhs

Particulars	Total Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings	Interest free borrowings	Weighted average interest rate (%)
Borrowings in INR	33,510.07	596.30	30,202.63	2,711.13	8.13%
Borrowings in Foreign Currency (USD)	4,642.76	-	4,642.76	-	10.37%

### Maturity Analysis of unamortised Financial Liabilities

As at March 31, 2020

Rupees in Lakhs

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	29,647.20	20,062.79	1,816.62	1,675.03	6,092.76	29,647.20
Trade payables	809.69	-	809.69	-	-	809.69
Other Liabilities	3,934.64	0.07	3,934.58	-	-	3,934.64

As at March 31, 2019

Rupees in Lakhs

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	38,152.83	23,532.50	2,740.20	3,180.70	8,699.43	38,152.83
Trade payables	3,092.14	-	3,092.14	-	-	3,092.14
Other Liabilities	1,315.06	0.07	1,314.99	-	-	1,315.06

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

## Notes to Standalone Financial Statements for the year ended March 31, 2020

other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as high financial flexibility for potential future borrowings.

**The gearing ratio is as follows:**

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	29,647.20	37,151.99
Less : Cash and Cash Equivalents	252.64	262.80
Net Debt	29,394.56	36,889.20
Equity	54,487.92	52,126.40
Equity and Net Debt	83,882.48	89,015.60
Gearing Ratio	0.35	0.41

45. (a) The company along with its subsidiaries have acquired the entire shares of companies (I) BMW Iron & Steel Industries Limited (BISIL) and (II) Nippon Cryo Private Limited (NCPL). Accordingly, both BISIL and NCPL have become step down subsidiaries of the company with effect from 31st December, 2019.
- (b) The Board of Directors of the company in its meeting held on 3rd January, 2020, has approved the scheme of Amalgamation ('the scheme') of BISIL and NCPL with the Company with effect from 1st April, 2019 and the scheme is pending before National Company Law Tribunal (NCLT) for its approval. Pending this, the consequential effect in this respect has not been given in this Standalone Financial Statement.
46. (a) Consequent to outbreak of COVID 19 which has been declared a pandemic by World Health Organisation (WHO), Government of India and State Governments have declared lockdown which have affected business in general. The Company's primary source of revenue is from manufacturing and selling of engineering products and processing of steel. The company's operation have been affected due to loss of production, suspension of the operation, disruption in supply chain, increase in credit period in respect of customer dues and non availability of personal during lockdown and various other facilities affecting the overall liquidity due to blockage of funds in inventories, receivables, etc. Though the production have started from mid of May, 2020 in Jamshedpur plant of the company, the production in other plants are still affected. The Company has considered internal and external information while finalizing various estimates and taking assumptions in relation to its standalone Financial Statements preparation upto the date of approval of the standalone Financial Statements by the Board of Directors and no material impact of COVID-19 on the financial performance interalia including the carrying value of various current and non current assets or on the going concern assumptions of the Company is expected to arise. The actual impact of pandemic is however dependent upon future development and the company will continue to monitor the variation in situations and consider the same as and when determinable.
- (b) Further, operation of Company's plants at NH6 (Hazibagan) and GT Road have been extensively affected due to severe cyclonic storm Amphan, which hit the state of West Bengal on May 21, 2020. This has caused damage to the premises at plants and affected the operations at those plants. The operation at GT Road plant has since been commenced, however at Hazibagan the same is yet to be started. Consequential steps are being taken to assess the loss and the extent of possible claims thereagainst from insurance companies and restore the operations at the earliest.
47. Previous year figures have been regrouped wherever necessary to confirm with financial statements.
48. These Standalone financial statements have been approved by the Board of Directors of the Company on July 10, 2020 for issue to the shareholders for their adoption.

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: July 10, 2020

For and on behalf of the Board of Directors

**Ram Gopal Bansal**  
Chairman  
DIN: 00144159

**Abhishek Agarwal**  
Chief Financial Officer

**Harsh Bansal**  
Director  
DIN : 00137014

**Vikram Kapur**  
Company Secretary

# Independent Auditors' Report

To the Members of

**BMW INDUSTRIES LIMITED**

## Report on the Consolidated Financial Statements Qualified Opinion

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 the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Consolidated Financial Statements").

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 financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### 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" and non

ascertainment of consequential impact including impairment if any in this respect. In absence of necessary details from the Financial statements of the respective subsidiary companies or otherwise, reliance have been placed on these financial statements as audited by the independent auditors and their report thereupon.

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters for incorporation in our report. The below mentioned key audit matters pertains to Holding Company as in case of Subsidiary Companies have not given any key audit matters in their reports.

Key audit Matters	Addressing the Key Audit Matters
<b>Trade Receivables</b> Gross Trade Receivable of the Holding Company is Rs. 12,234.14 Lakhs as on March 31, 2020. This includes significant amounts, which have fallen due for payment and are lying outstanding for a considerable period of time. (Note No. 8 of the Consolidated Financial Statements)	Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following: <ul style="list-style-type: none"> <li>We obtained an understanding from the Management, assessed and tested the design and operating effectiveness of the Holding Company's key controls over the recoveries against the outstanding amounts and resultant impairment assessment of material Trade Receivables;</li> </ul>

Key audit Matters	Addressing the Key Audit Matters
<p>The increasing challenges over the economy and operating environment in the steel industry have increased the risks of default against receivables from the customers. The Holding Company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations.</p> <p>The recoverable amount was estimated by management based on recoverability assessment of recoverability on case to case basis and required significant audit attention .The Holding 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 Holding Company bases the estimates on the ageing of the trade receivables, credit worthiness of the parties and historical write-off experience.</p>	<ul style="list-style-type: none"> <li>• We reviewed Management’s assessment and evaluation on the credit worthiness of the major trade receivables and historical trends and current dealing with the customers;</li> <li>• Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management’s assessment keeping in view the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any provision should be made;</li> <li>• Tested settlement of trade receivables subsequent to the balance sheet date on a sample basis; and</li> <li>• We further discussed with the Management the adequacy of the allowance for impairment as recognised and reviewed the supporting documents provided in relation to the same.</li> </ul>
<p><b>Inventory determination and Valuation</b></p> <p>As at March 31, 2020, the Holding Company has Rs. 20,715.26 Lakhs of Inventories (Note No. 7 of the Consolidated Financial Statements). Given the size of the Inventory relative to the total assets of the Company and the estimates and judgements described below, the determination and valuation of Inventory required significant audit attention.</p> <p>Given the nature of Industry and volume of inventory and physical verification being undertaken in phases not covering all the locations, determination thereof in absence of specific identification, batches etc has largely been arrived on theoretical basis considering cross-sectional weight including for the locations not covered for verifications. Moreover, certain materials are lying in heaps and / or are susceptible to obsolescence and deterioration in quality. All these requires specific procedures based on technical experience for arriving at the ground stock of usable / saleable inventory. The result of these procedures may not always be accurate and involves significant management judgement and estimation.</p> <p>As disclosed in Note 1(C) (I), Inventories are held at lower of cost or Net Realizable Value determined using the First in First Out/ Weighted Average cost method. At year end, valuation of Inventories is reviewed by the management and the cost of Inventory is reduced in cases where the Net Realizable value is lower.</p> <p>Management reviews the Ageing reports together with historical trends to estimate the likely future saleability of slow moving and older inventory items and performed a line-by-line analysis to ensure that it is stated at the lower of cost or net realizable value.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following:</p> <ul style="list-style-type: none"> <li>• Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.</li> <li>• Verification of Inventories in all units have been undertaken on a subsequent date of Balance Sheet by the management. In case of Hazibagan unit (holding 60% of total inventories) physical verification was carried out in presence and supervision of an independent firm of Chartered Accountant entrusted with this responsibility. Inventories at remaining locations (holding 40% of total inventories) were verified by the management.</li> <li>• We have obtained and reviewed necessary evidences, working papers and documents for the physical verification carried out as above. We have also reviewed the report submitted by independent firm of Chartered Accountant with respect to such verification in case of one of the Units of the Holding Company. We have put reliance on the reports, documents and working papers submitted to us by the management;</li> </ul>

Key audit Matters	Addressing the Key Audit Matters
<p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, the physical verification of the inventories could not be carried out and/or observed by us due to lockdown restrictions at the year end.</p>	<ul style="list-style-type: none"> <li>• We have applied alternative methods of verification for arriving at Inventories as at the year-end by applying principles of roll back by carrying out relevant adjustments for receipt and issues. We performed procedures to ensure that necessary control, checks were applied in this respect and the changes in inventory between the verification date and date of the Balance sheet are properly recorded (Roll back principles);</li> <li>• We have verified the adjustments made for receipt and consumption to arrive at the physical stock as on March 31, 2020. Materiality for variations, discrepancies were duly adjusted; and</li> <li>• We have examined the valuation process/methodology and checks being performed at multiple levels to ensure that the valuation is consistent with and as per the policy followed in this respect.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, but does not include the Consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with

respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated state of affairs (financial position), Consolidated Profit or Loss (financial performance including other comprehensive income), Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 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 financial statements by the Directors of the Holding Company's, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Holding Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the Holding Company we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period

and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

1. We did not audit the financial statements of ten subsidiaries (including step down subsidiaries) whose financial statements reflect total assets and total net assets as at March 31, 2020, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements based on financial statements/consolidated financial statement audited by other auditors:

Rupees in Lakhs

Name of the Subsidiaries	Total Assets as on March 31, 2020	Net Assets as on March 31, 2020	Total Revenues for the year ended March 31, 2020	Net Cash Inflows (Outflows)
Confident Financial Consultancy Private Limited	2,202.39	1,459.34	52.83	(91.61)
Perfect Investment Consultancy Private Limited	1,352.03	1,339.10	18.10	(16.24)
Sidhant Investment Advisory Private Limited	2,694.94	2,438.85	24.60	(29.97)
Sidhi Vinayak Comosales Private Limited	1,474.92	1,425.09	0.08	0.29
Shri Hari Vinicom Private Limited	1,636.35	1,561.60	9.21	(21.89)
Narayana Dealcom Private Limited	2,097.86	2,062.74	4.58	0.48
Fairplan Vintrade Private Limited	1,899.23	1,889.20	28.05	(6.60)
Nageshwara Tradelink Private Limited	1,800.19	1,799.76	0.20	0.02
Nippon Cryo Private Limited	1,710.48	108.51	570.83	(0.03)
BMW Iron and Steel Industries Limited	7,680.07	2,056.97	1,351.50	120.61
<b>Total</b>	<b>24,548.46</b>	<b>16,141.17</b>	<b>2059.97</b>	<b>(45.00)</b>

2. The other auditors of the aforesaid components have not reported the following matters in their Auditor's Report

- i. Key Audit Matters
- ii. Information Other than the Financial Statements and Auditors' Report Thereon

In the absence of the same, we are unable to incorporate these matters for the Group and accordingly these matters have been reported for the Holding Company only.

3. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements.

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate Financial Statements and on the other financial information of subsidiaries, as noted in 'Other Matters' paragraph above, 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 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 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 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 Financial Statement 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 and Subsidiary Company as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company and the report of other statutory auditor of its subsidiaries, none of the directors is disqualified as on March 31, 2020, 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 Financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 37 to the Consolidated financial statements.
- ii. The Group did not have any long-term contracts, including derivative contracts as at March 31, 2020, 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.
- II. With respect to the reporting under Section 197 (16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the Remuneration (including Sitting fees) paid by the Holding Company and its subsidiary companies to its Directors during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

**For Lodha & Co.**

*Chartered Accountants*

Firm's ICAI Registration No.:301051E

**H K Verma**

*Partner*

Place: Kolkata

Membership No: 055104

Date: July 10, 2020

UDIN- 20055104AAAABK8510

# Annexure A" referred to in our report of even date

(Referred to in paragraph ii (f) under 'Report on Other Legal and Regulatory Requirements' of 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 Financial Statements of the Company as of and for the year ended March 31, 2020, 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 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 with reference to Financials Statements

A company's internal financial control with reference to Financials Statements 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 with reference to Financials Statements 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 With reference to Financials Statements**

Because of the inherent limitations of internal financial controls with reference to Financials Statements, 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 with reference to Financials Statements to future periods are subject to the risk that the internal financial control with reference to Financials Statements 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 with reference to Financials Statements as at March 31, 2020:

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 with reference to Financials Statements, 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 with reference to Financials Statements and such internal financial controls with reference to Financials Statements were operating effectively as at March 31, 2020, based on the internal control with reference to Financials Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to Financials Statements 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 with reference to Financials Statements in so far as it relates to ten subsidiary companies(including step down subsidiaries) 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

**H K Verma**

*Partner*

Place: Kolkata

Membership No: 055104

Date: July 10, 2020

UDIN- 20055104AAAABK8510

# Consolidated Balance Sheet

as at March 31, 2020

Rupees in Lakhs

Particulars	Notes No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	2	52,227.86	48,251.23
(b) Capital Work-in-progress	2A	3,234.09	2,288.32
(c) Intangible Assets	3	2.78	3.29
(d) Financial Assets			
i) Investments	4	7,050.23	7,687.28
ii) Other Financial Assets	5	855.69	774.47
(e) Deferred Tax Assets (Net)	20	418.22	22.46
(e) Other Non-current assets	6	2,265.24	2,145.65
<b>Total Non-current Assets</b>		<b>66,054.11</b>	<b>61,172.70</b>
<b>Current Assets</b>			
(a) Inventories	7	20,997.15	21,107.10
(b) Financial Assets			
(i) Trade receivables	8	13,885.96	21,190.23
(ii) Cash and cash equivalents	9	489.12	483.97
(iii) Other Bank balances other than (ii) above	10	822.96	874.44
(iv) Loans	11	1,865.71	5,953.88
(v) Others	12	130.00	134.42
(c) Other current assets	13	8,971.36	7,783.57
<b>Total Current Assets</b>		<b>47,162.26</b>	<b>57,527.61</b>
Assets Classified as held for sale	14	305.22	305.22
<b>Total Assets</b>		<b>1,13,521.59</b>	<b>1,19,005.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	2,250.86	2,250.86
(b) Other Equity	16	67,172.57	63,507.93
Equity attributable to Equity Shareholders of the Parent		69,423.43	65,758.79
Non Controlling Interest		76.55	72.24
<b>Total Equity</b>		<b>69,499.98</b>	<b>65,831.03</b>
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	17	3,914.10	7,683.92
ii) Other Financial Liabilities	18	2,940.13	1,270.15
(b) Provisions	19	345.96	234.82
(c) Deferred Tax Liabilities (Net)	20	4,915.52	5,212.20
(d) Other Non-Current Liabilities	21	748.65	1,696.06
<b>Total Non-current Liabilities</b>		<b>12,864.36</b>	<b>16,097.15</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	22	20,467.08	23,532.50
ii) Trade Payables	23		
- Total outstanding dues to Micro and Small Enterprise		-	-
- Total outstanding dues to creditors other than Micro and Small Enterprise		2,577.49	4,066.30
iii) Other Financial Liabilities	24	7,568.40	7,351.29
(b) Other current liabilities	25	238.99	1,715.78
(c) Provisions	26	14.04	6.94
(d) Current Tax Liability (Net)	28	291.25	404.54
<b>Total Current liabilities</b>		<b>31,157.25</b>	<b>37,077.35</b>
<b>Total liabilities</b>		<b>44,021.61</b>	<b>53,174.50</b>
<b>Total Equity and Liabilities</b>		<b>1,13,521.59</b>	<b>1,19,005.53</b>
Accompanying Notes on Financial Statements	1 - 48		

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**

Director  
DIN : 00137014

**H.K. Verma**

Partner  
Membership No. 055104  
Place: Kolkata  
Date: July 10, 2020

**Abhishek Agarwal**  
Chief Financial Officer

**Vikram Kapur**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

Rupees in Lakhs

Particulars	Notes No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	28	61,478.63	82,864.14
II Other Income	29	1,592.11	2,658.20
<b>III Total Income (I + II)</b>		<b>63,070.74</b>	<b>85,522.34</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	30	31,015.44	47,183.58
(b) Purchases of Stock in Trade		-	647.03
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	31	164.20	205.11
(d) Employee benefits expense	32	2,712.75	3,062.59
(e) Finance costs	33	4,551.05	5,627.28
(f) Depreciation and amortisation expenses	34	4,732.38	4,680.33
(g) Other expenses	35	16,696.15	17,656.66
<b>Total Expenses (IV)</b>		<b>59,871.97</b>	<b>79,062.58</b>
<b>V Profit before tax (III - IV)</b>		<b>3,198.77</b>	<b>6,459.76</b>
<b>VI Tax Expense</b>			
(1) Current tax	36	1,175.93	1,392.78
(2) Deferred tax- Charge/(Credit)	20	(181.39)	887.68
		<b>994.54</b>	<b>2,280.46</b>
<b>VII Profit for the year (V-VI)</b>		<b>2,204.23</b>	<b>4,179.30</b>
<b>VIII Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
-Remeasurement gains / (losses) on defined benefit plans		(49.29)	31.72
-Income tax relating to items that will not be reclassified to profit or loss	36.3	12.37	(10.76)
<b>Other Comprehensive Income for the year(net of tax)</b>	36.4	<b>(36.92)</b>	<b>20.96</b>
<b>IX Total comprehensive income for the year comprising profit and other comprehensive income for the year(VII + VIII)</b>		<b>2,167.31</b>	<b>4,200.26</b>
<b>X Profit for the year Attributable to:</b>			
(a) Owners of the Company		2,189.72	4,168.57
(b) Non-Controlling Interest		14.51	10.73
<b>XI Other Comprehensive Income Attributable to:</b>			
(a) Owners of the Company		(36.38)	19.67
(b) Non-Controlling Interest		(0.54)	1.29
<b>XII Total Comprehensive Income Attributable to:</b>			
(a) Owners of the Company		2,153.34	4,188.24
(b) Non-Controlling Interest		13.97	12.02
<b>XIII Earnings per Equity share (par value Re 1 each):</b>			
(1) Basic(Rs.)	39	0.98	1.86
(2) Diluted(Rs.)	39	0.98	1.86
Accompanying Notes on Financial Statements	1 - 48		

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**

Director

DIN : 00137014

**H.K. Verma**

Partner

Membership No. 055104

Place: Kolkata

Date: July 10, 2020

**Abhishek Agarwal**

Chief Financial Officer

**Vikram Kapur**

Company Secretary

## Consolidated Cash Flow for the year ended March 31, 2020

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	3,198.77	6,459.76
<b>Adjustments for -</b>		
Depreciation and Amortisation	4,732.38	4,680.33
Finance Costs	4,551.05	5,627.28
Amortisation of Leasehold land	-	5.41
Liabilities no longer required written back	(108.71)	(227.32)
Interest Income	(1,211.65)	(2,014.44)
Irrecoverable Balance written off	1,714.45	-
(Profit)/ Loss on sale of Property, Plant and Equipment	9.72	(134.95)
	9,687.24	7,936.31
<b>Operating Profit Before Working Capital Changes</b>	<b>12,886.01</b>	<b>14,396.07</b>
<b>Adjustments for -</b>		
Trade and other receivables	5,083.19	1,467.38
Inventories	361.35	1,439.59
Loans and Advances	366.91	(5,011.83)
Trade Payable and Other Liabilities	(4,655.75)	59.06
	1,155.70	(2,045.80)
<b>Cash Generated from Operations</b>	<b>14,041.71</b>	<b>12,350.27</b>
Direct Taxes Paid	(1,236.95)	(1,447.35)
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>12,804.76</b>	<b>10,902.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant and Equipments	(1,860.49)	(1,722.46)
Sale of Property, Plant and Equipments	16.49	176.63
Interest Income	1,211.65	2,014.44
Deposit with Banks Original maturity with more than 3 months	0.08	5.98
Sale of Investments	(16.60)	176.75
Unsecured Loan / Advance given to a Subsidiary	-	221.10
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>(648.87)</b>	<b>872.44</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(4,488.38)	(5,627.28)
Proceeds/ (Repayments) from Short Term Borrowings from Bank (Net)	(3,469.71)	1,290.84
Repayment of Long Term Borrowings from Banks	(5,868.94)	(4,668.85)
Proceeds from Long Term Borrowings from Others	3,250.00	-
Repayments of Long Term Borrowings from Others	-	(416.01)
Repayment of Long Term Borrowings from Bodies Corporate	(1,615.76)	(1,878.09)
Proceeds of Long Term Borrowings from Bodies Corporate	-	0.39
Repayment of Short Term Borrowings from Bodies Corporate	-	(8.00)
Repayment of Lease Liability	(41.05)	-
Payment of Dividend including Taxes	(12.11)	(61.54)
<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>(12,245.95)</b>	<b>(11,368.54)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(90.06)</b>	<b>406.82</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>483.97</b>	<b>77.15</b>
<b>Acquisition of subsidiaries (Refer Note No. 45)</b>	<b>95.21</b>	<b>-</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>489.12</b>	<b>483.97</b>

## Consolidated Cash Flow for the year ended March 31, 2020

### Note:

- Cash and Cash Equivalents consists of cash on hand and Bank balances in Current Account and Short Term Deposits with original maturity of less than three months. The details of cash and cash equivalents as per Note 9 of the Consolidated Financial Statement is as under:

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current account	262.99	261.09
In Fixed Deposits (having original maturity of less than 3 months)	44.37	19.83
Cheques on Hand	173.94	200.94
Cash on hand	7.82	2.11
<b>Total cash and cash equivalents</b>	<b>489.12</b>	<b>483.97</b>

- Reconciliation of Liabilities arising from Financing activities

Rupees in Lakhs

Particulars	As at March 31, 2019	Proceeds Raised	Non cash adjustment	Repayment	As at March 31, 2020
<b>Long Term Borrowings</b>					
- From Bank	11,854.71	1,250.00	39.84	(5,522.19)	7,542.69
-From others	54.49	2,000.00	20.00	(127.30)	1,947.19
-From bodies corporate	1710.68	302.75	-	(1,615.76)	397.67
				-	
<b>Short Term Borrowings</b>				-	
-From Bank	23532.50	404.28	-	(3,874.00)	20,467.08
Lease Liabilities	209.76	-	1,386.22	(41.05)	1,554.93
<b>Total</b>	<b>37,362.14</b>	<b>3,957.03</b>	<b>1,446.06</b>	<b>(11,180.30)</b>	<b>31,909.57</b>

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.
- The Group has incurred Rs. 114.65 lakhs on account of Corporate Social Responsibility (CSR) Expenditure during the year ended March 31, 2020 (March 31, 2019 Rs.111.9 lakhs)

Accompanying Notes on Financial Statements 1-48

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**  
Director  
DIN : 00137014

**H.K. Verma**  
Partner  
Membership No. 055104  
Place: Kolkata  
Date: July 10, 2020

**Abhishek Agarwal**  
Chief Financial Officer

**Vikram Kapur**  
Company Secretary

# Consolidated Statement of changes in Equity for the year ended March 31, 2020

## (a) Equity Share Capital

Particulars	Rupees in Lakhs
<b>As at March 31, 2018</b>	<b>2,250.86</b>
Changes during the year	-
<b>As at March 31, 2019</b>	<b>2,250.86</b>
Changes during the year	-
<b>As at March 31, 2020</b>	<b>2,250.86</b>

## (b) Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income Remeasurement of Defined Benefit Obligation	Attributable to Parent Company	Non Controlling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
<b>As at March 31, 2018</b>	<b>14,379.48</b>	<b>16,682.97</b>	<b>2,207.29</b>	<b>26,105.72</b>	-	<b>59,375.46</b>	<b>66.00</b>	<b>59,441.46</b>
Profit for the year	-	-	-	4,168.57	-	4,168.57	10.73	4,179.30
Payment of dividends	-	-	-	(45.01)	-	(45.01)	(4.80)	(49.81)
Tax on dividends	-	-	-	(10.76)	-	(10.76)	(0.98)	(11.74)
<b>Other comprehensive income (net of tax) :</b>						-		-
Impact of Remeasurement of Defined Benefit plans	-	-	-	-	19.67	19.67	1.29	20.96
Transferred to Retained Earnings	-	-	-	19.67	(19.67)	-	-	-
<b>As at March 31, 2019</b>	<b>14,379.48</b>	<b>16,682.97</b>	<b>2,207.29</b>	<b>30,238.19</b>	-	<b>63,507.93</b>	<b>72.24</b>	<b>63,580.17</b>
On acquisition of subsidiaries (Refer Note No. 45)	51.38	-	-	1,459.92	-	1,511.30	-	1,511.30
Profit for the year	-	-	-	2,189.72	-	2,189.72	14.51	2,204.23
Payment of dividends	-	-	-	-	-	-	(8.00)	(8.00)
Tax on dividends	-	-	-	-	-	-	(1.66)	(1.66)
<b>Other comprehensive income (net of tax) :</b>								
Impact of Remeasurement of Defined Benefit plans	-	-	-	-	(36.38)	(36.38)	(0.54)	(36.92)
Transferred to Retained Earnings	-	-	-	(36.38)	36.38	-	-	-
<b>As at 31st March 2020</b>	<b>14,430.86</b>	<b>16,682.97</b>	<b>2,207.29</b>	<b>33,851.45</b>	-	<b>67,172.57</b>	<b>76.55</b>	<b>67,249.12</b>

Refer Note No. 16 for nature and purpose of reserves

Accompanying Notes on Financial Statements

1-48

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**

Director  
DIN : 00137014

**H.K. Verma**

Partner  
Membership No. 055104  
Place: Kolkata  
Date: July 10, 2020

**Abhishek Agarwal**  
Chief Financial Officer

**Vikram Kapur**  
Company Secretary

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## Note 1

### 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 (CSE) and The Bombay Stock Exchange Limited (BSE).

The Consolidated financial statements for the year ended March 31, 2020 were approved for issue by the Board of Directors of the company on July 10, 2020 and are subject to the adoption by the Shareholders in the ensuing Annual General Meeting.

The consolidated financial statements relate to BMW Industries Limited (hereinafter referred to as 'the Holding 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 March 31, 2020	As at March 31, 2019
Sail Bansal Service Centre Limited	Processing of Steel	India	60.00%	60.00%
Confident Financial Consultancy Private Limited	Investment	India	100.00%	100.00%
Perfect Investment Consultancy Private Limited	Investment	India	100.00%	100.00%
Sidhant Finvest Advisory Private Limited	Investment	India	100.00%	100.00%
Sidhi Vinayak Comosales Private Limited	Investment	India	100.00%	100.00%
Shri Hari Vinicam Private Limited	Investment	India	100.00%	100.00%
Narayana Dealcom Private Limited	Investment	India	100.00%	100.00%
Fairplan Vintrdae Private Limited	Investment	India	100.00%	100.00%
Nageshwara Tradelink Private Limited	Investment	India	100.00%	100.00%

#### Investment in Step down Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Shareholding Pattern
BMW Iron and Steel Private Limited (BISIL)	Conversion iron and steel	India	Refer (a) below
Nippon Cryo Private Limited (NCPL)	Conversion iron and steel	India	Refer (b) below

#### (a) Shareholding pattern of BISIL as on March 31, 2020

Sl. No	Name of the Shareholder	No of Shares	% of Shares
1	Siddhi Vinayak Commosales Private Limited	30,12,500	74.38
2	Perfect Investment Consultancy Private Limited	9,87,500	24.38
3	Fairplan Vintrade Private Limited	23,485	0.58
4	Sidhant Investment Advisory Private Limited	12,927	0.32
5	Shri Hari Vincom Private Limited	9,091	0.22
6	Confident Financial Consultancy Private Limited	4,697	0.12
7	Narayan Dealcom Private Limited	100	0
	<b>Total</b>	<b>40,50,300</b>	<b>100</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### (b) Shareholding pattern of NCPL as on March 31, 2020

Sl. No	Name of the Shareholder	No of Shares	% of Shares
1	Fairplan Vintrade Private Limited	45,500	51.41
2	Shri Hari Vincom Private Limited	20,000	22.6
3	Perfect Investment Consultancy Private Limited	16,800	18.98
4	Siddhi Vinayak Commosales Private Limited	6,200	7.01
	<b>Total</b>	<b>88,500</b>	<b>100</b>

### B. Statement of Compliance and Recent Accounting Pronouncements

#### i) Statement of Compliance

These Consolidated financial statements are prepared on a going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent notified and applicable.

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

#### ii) Application of new and revised standards

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to its leasehold assets under modified retrospective approach with cumulative effect of initial recognition being given effect to on the date of application. Consequently, such assets have been recognised as "Right of Use" and have been amortised over the term of lease. Further, finance cost in respect of lease liability has been measured and considered in these consolidated financial statements. Previously charge on account of this was recognised as lease rent in terms of the agreement. Overall impact on the implementation of Ind AS 116 has however been disclosed in Note No. 41.5.

Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes' have also been revised with effect from the said date. Revision in these standard also did not have any material impact 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 or fair value 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 "Presentation of Financial Statements" and in Division II of Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lakhs 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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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. 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. A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date such control ceases.
- ii. The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amounts of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses on transactions between Group companies are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.
- iii. Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Statement of Changes in Equity.
- iv. A change in the ownership interest of a subsidiary which does not result in a loss of control, is accounted for as an equity transaction.
- v. If the Group loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost, with the resulting gain/ loss recognised in the Statement of Profit & Loss.
- vi. The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

#### 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 Holding Company's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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**

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 common control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Capital Reserve is recognised under the head 'Other Equity' in the consolidated financial statements.

### **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 PPE or its construction cost and includes, where applicable, inward freight, duties and taxes, and other expenses related to acquisition or installation and any cost directly attributable to bringing 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 utilised 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.

When parts of an item of PPE have different useful life's, they are accounted for as separate items (major components) of the PPE.

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 in which they are incurred.

The company's lease assets comprising of Land and Building has been separately shown under PPE as Right of Use (ROU) Assets.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, Such items are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Amount paid towards acquisition of Property, Plant and Equipment outstanding as at each reporting date are recognized as capital advance under "Other Non-Current Assets".

### **Depreciation**

Depreciation on Property, Plant and Equipment is provided as per Schedule II of the Companies Act, 2013 on straight line method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

No depreciation is charged on Freehold land.

Depreciation on ROU assets is provided over the lease term or expected useful life of the asset, whichever is lower

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

and depreciation on Property, Plant and Equipment (other than leasehold land) 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	3-30
Plant and Equipment	3-20
Furniture and fixtures	10
Vehicles	8-10

The residual value of an item of Property, Plant and Equipment has been kept at 5 percent or less of the cost of the respective assets.

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

### e. Intangible Assets

Intangible assets are stated at cost of acquisition comprising of purchase price inclusive of duties and taxes less accumulated amortization and impairment losses if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Amortization on Intangible Assets 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)
Computer Software	6

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

### f. De-recognition 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 continued use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### g. Leases

The Company's lease asset classes primarily consist of land and building premises taken on lease for residential and official accommodation. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU Assets") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head "Other Financial Liabilities" whereas Right of Use Assets have been disclosed separately as a part of Property, Plant and Equipment.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

### **h. 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.

### **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 Instruments - 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 twelve months 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 (referred to as "FVTPL") or at Fair Value through Other Comprehensive Income (referred to as "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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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 and 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.

The Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (referred to as "EIR") method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortized cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### 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 (2) and (3) 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 Financial Liabilities at Fair value through profit or loss (FVTPL)

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

### 5) Impairment of financial assets

The Company evaluates whether there is any objective evidence that financial assets measured at amortise costs including trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Company bases the estimates on the ageing of the receivables, credit-worthiness of the receivables and historical write-off experience and variation in the credit risk on year to year basis.

Lifetime expected credit losses are the expected credit losses (ECL) that result from all possible default events over the expected life of a financial instrument. 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. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

In case of trade receivables or contract assets 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 where maximum contractual period is considered over which the Company is exposed to credit risks

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward-looking information.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

Loss allowances for financial assets measured at amortized costs are deducted from the gross carrying amount of the assets.

### 6) Derecognition of financial instruments

The Company derecognises 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 to Retained earnings.

Financial liabilities are derecognised 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 derecognised and the consideration paid and payable is recognized in Statement of Profit and Loss.

### 7) Derivative financial instruments and hedging activities

The company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis to reduce the risk associated with the exposure being hedged.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/liability, at fair value through profit or loss. Transaction costs attributable to the same are also recognized in statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognized in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## **l. Foreign Currency Transactions**

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 as at the date of transaction. 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. Foreign exchange gain or loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

## **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 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 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 Consolidated 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 plans such as Provident Fund, Employee Pension Scheme etc, is being made in accordance with statute and are recognised as and when incurred.

Employees benefits using defined benefit plans are recognised using actuarial valuation techniques at the close of each year. Remeasurements comprising of actuarial gains and losses, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ("OCI") in the period in which they occur. Remeasurements are not reclassified to Profit or Loss in subsequent periods. The Liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date. The defined benefit obligation is calculated by external actuaries using the projected Unit credit method.

## **p. Revenue Recognition**

### **1. Revenue from Operations**

Revenue is measured based on the considerations specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and /or products/services are delivered/provided to the customers. The delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

has either accepted the products in accordance with contract or the company has sufficient evidence that all the criteria for acceptance has been satisfied. Returns, discounts and rebates collected, if any, are deducted there from sales.

### 2. Other Income

#### Interest, Dividend and Claims:

Dividend income is recognized when the right to receive payment is established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue in respect of claims of insurance, etc. are recognized only when there is reasonable certainty as to the ultimate collection.

### q. Borrowing Costs

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

### r. Government Grants

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

### s. Taxes on Income

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

#### Current Tax

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. Advance tax and provisions are presented in the balance sheet after setting off advance tax paid and income tax provision for the current year.

#### Deferred Tax

Deferred tax is accounted by using the balance sheet liability method in respect of 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 as well as for unused tax losses or credits. In principle 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 Asset & Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities & where deferred tax assets & liabilities relate to income tax levied by the same taxation authority.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

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.

### 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 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

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### b. Depreciation / amortization and impairment on Property, Plant and Equipment / Intangible assets.

Property, plant and equipment, ROU Assets and intangible assets are depreciated/amortized on Straight-Line Basis over the estimated useful lives (or lease term if shorter) in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated useful life and residual value, wherever applicable.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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 assets 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.

### 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. Current Tax and Deferred Tax

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.

Significant management judgement is required to determine the amount of deferred tax assets/liability that can be recognised, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of Deferred Tax Liability and based on the likely timing and level of profitability in future and expected utilisation of deferred tax there against.

### 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 Consolidated Financial Statements for the year ended March 31, 2020

### 2. Property Plant and Equipment

Rupees in Lakhs

Particulars	Freehold Land	Land-Right-of-Use (Refer Note No. 41)	Building-Right-of-Use (Refer Note No. 41)	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
<b>(A) Gross Carrying Amount</b>								
<b>As at March 31,2018</b>	<b>952.11</b>	-	-	<b>6,996.28</b>	<b>51,002.43</b>	<b>313.56</b>	<b>1,977.13</b>	<b>61,241.51</b>
Additions	-	-	-	720.02	566.74	13.43	60.09	1,360.28
Disposal / Adjustments	-	-	-	-	(50.29)	-	(10.68)	(60.97)
<b>As at March 31,2019</b>	<b>952.11</b>	-	-	<b>7,716.30</b>	<b>51,518.88</b>	<b>326.99</b>	<b>2,026.54</b>	<b>62,540.82</b>
Additions / Adjustments (Refer Note No. 2.2)	-	1,785.90	53.32	13.80	130.52	309.16	113.77	2,406.47
Acquisition of subsidiaries (Refer Note No. 45)	722.63	-	-	1,268.83	7,032.09	1.17	-	9,024.72
Disposal / Adjustments	-	-	-	-	(85.01)	-	(44.94)	(129.95)
Other Adjustments	-	-	-	(0.21)	-	-	-	(0.21)
<b>As at March 31,2020</b>	<b>1,674.74</b>	<b>1,785.90</b>	<b>53.32</b>	<b>8,998.73</b>	<b>58,596.47</b>	<b>637.32</b>	<b>2,095.37</b>	<b>73,841.85</b>
<b>(B) Accumulated Depreciation</b>								
<b>As at March 31,2018</b>	-	-	-	<b>568.56</b>	<b>8,345.29</b>	<b>79.09</b>	<b>642.53</b>	<b>9,635.47</b>
Charge for the period	-	-	-	318.82	3,986.34	42.77	325.48	4,673.41
Disposal / Adjustments	-	-	-	-	(11.33)	-	(7.96)	(19.29)
<b>As at March 31,2019</b>	-	-	-	<b>887.38</b>	<b>12,320.30</b>	<b>121.86</b>	<b>960.05</b>	<b>14,289.59</b>
Charge for the period (Refer Note No. 2.2)	-	78.78	10.66	326.62	3,925.06	69.31	321.44	4,731.87
Acquisition of subsidiaries (Refer Note No. 45)	-	-	-	192.89	2,503.05	0.33	-	2,696.27
Disposal / Adjustments	-	-	-	-	(79.46)	-	(24.28)	(103.74)
Other Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31,2020</b>	-	<b>78.78</b>	<b>10.66</b>	<b>1,406.90</b>	<b>18,668.95</b>	<b>191.50</b>	<b>1,257.21</b>	<b>21,613.99</b>
<b>(C) Net Carrying Amount (A-B)</b>								
<b>As at March 31,2018</b>	<b>952.11</b>	-	-	<b>6,427.72</b>	<b>42,657.14</b>	<b>234.47</b>	<b>1,334.59</b>	<b>51,606.03</b>
<b>As at March 31,2019</b>	<b>952.11</b>	-	-	<b>6,828.92</b>	<b>39,198.57</b>	<b>205.13</b>	<b>1,066.49</b>	<b>48,251.23</b>
<b>As at March 31,2020</b>	<b>1,674.74</b>	<b>1,707.12</b>	<b>42.66</b>	<b>7,591.83</b>	<b>39,927.52</b>	<b>445.82</b>	<b>838.16</b>	<b>52,227.86</b>

#### Notes:

2.1 Refer Note No. 17.1 and 22.1 to standalone financial statement in respect of charge created on Property, Plant and Equipment against borrowings.

2.2 "Right-of-Use(ROU)" Assets relates to land and building premises taken on lease and recognised as "Right of Use" in terms of Ind AS 116 on implementation with effect from April 01, 2019. Adjustments during the year include reclassification as on April 01, 2019 with respect to ROU asset on implementation of " Ind AS 116 " with corresponding increase of such assets being shown under addition during the year. (Also refer Note No. 41)

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 2A Capital Work-In-Progress

Rupees in Lakhs

Particulars	As at April 01, 2019	Additions	Capitalised	As at March 31, 2020
Asset under Construction	2,158.32	1,236.65	318.15	30,76.82
Land and other Development	130.00	23.40	-	1,53.40
Asset under Installation	-	3.87	-	3.87
<b>Total</b>	<b>2,288.32</b>	<b>1,263.92</b>	<b>318.15</b>	<b>3,234.09</b>

Rupees in Lakhs

Particulars	As at April 01, 2018	Additions	Capitalised	As at March 31, 2019
Asset under Construction	1742.66	866.25	450.59	2158.32
Land and other Development	405.00	0.00	275.00	130.00
<b>Total</b>	<b>2,147.66</b>	<b>866.25</b>	<b>725.59</b>	<b>2,288.32</b>

## 3. Intangible Assets

Rupees in Lakhs

Particulars	Computer Software
<b>(A) Gross Carrying Amount</b>	
As at March 31,2018	19.39
Additions	3.75
Disposal	-
As at March 31,2019	23.14
Additions	-
Disposal / Adjustments	-
As at March 31,2020	23.14
<b>(B) Accumulated Amortisation</b>	
As at March 31,2018	12.93
Charge for the period	6.92
As at March 31,2019	19.85
Charge for the period	0.51
As at March 31,2020	20.36
<b>(C) Net Carrying Amount (A-B)</b>	
As at March 31,2018	6.46
As at March 31,2019	3.29
As at March 31,2020	2.78

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 4 Non Current Investments

Rupees in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Investments measured at Fair Value through Other Comprehensive Income</b>				
In Equity Instruments				
<b>Unquoted</b>				
In Bodies Corporate		7,050.23		7,687.28
		<b>7,050.23</b>		<b>7,687.28</b>
<b>4.1 Aggregate amount of unquoted investments</b>		<b>7,050.23</b>		<b>7,687.28</b>

4.2 Investment in Bodies Corporate represents investments made by certain subsidiaries details whereof from the financial statements of respective subsidiary companies were not available and as such the disclosure and the fair valuation in terms of Ind AS 109, "Financial Instruments", with respect to the investments have not been given effect to or made in these Consolidated Financial Statements.

## 5. Other Financial Assets- Non Current

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered good unless otherwise stated)</b>			
<b>At amortised cost</b>			
(a) Security Deposits		591.97	525.15
(b) Fixed Deposit with Bank (having maturity more than 12 months)		263.72	159.32
(c) Grant Receivable	5.2	-	90.00
		<b>855.69</b>	<b>774.47</b>

### Notes:

5.1 Fixed Deposits with bank amounting Rs. 1130.97 Lakhs (Previous Year Rs. 1053.52 Lakhs) are kept as lien against Bank Guarantee and letter of Credit to Customers and Suppliers and borrowings with Banks.

### 5.2 Nature and Extent of Grant

Represents grant of Rs. 450 Lakhs approved on 29th October 2015 for investment in Plant and 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 2016-2017.

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

## 6. Other Non Current Assets

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Capital Advances		2,257.16	1,897.54
(b) Advances other than Capital Advances			
(i) Prepayments	41	-	247.42
(ii) Prepaid Expenses		8.08	-
(iii) Deferred Loss on fair valuation of Financial instruments		-	0.69
		<b>2,265.24</b>	<b>2,145.65</b>

6.1 Capital Advance includes Rs. 1366.77 lakhs (March 31, 2019 Rs. 1366.77 lakhs) given to a foreign supplier against purchase of certain Equipments for which the order have been cancelled and the amount shall be adjusted against future supplies of Equipments to be procured by the Holding Company from the said supplier.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 7. Inventories (Valued at Lower of cost or estimated Net Realisable value)

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Raw materials		9,281.54	9,477.13
(b) Finished goods		6,187.75	6,424.26
(c) Work in Progress		3,049.74	2,977.44
(d) Stores and Spares		2,478.12	2,228.27
		<b>20,997.15</b>	<b>21,107.10</b>

#### Notes:

7.1 Refer Note No. 17.1 and 22.1 to Consolidated financial statement in respect of charge created on Inventories against borrowings.

### 8. Current Trade Receivables

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		13,885.96	21,190.23
		<b>13,885.96</b>	<b>21,190.23</b>

#### Notes:

8.1 Trade Receivables are non interest bearing and are generally on credit terms of 30 to 90 days. The ageing of Trade Receivables are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within the credit period	8,348.23	15,407.96
1-180 days past due	1,342.75	500.88
More than 180 days past due	4,194.98	5,281.39
<b>Total</b>	<b>13,885.96</b>	<b>21,190.23</b>

8.2 Refer Note No. 17.1 and 22.1 to Consolidated financial statement in respect of charge created on Trade Receivable against borrowings.

8.3 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 conversion income, 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.

8.4 Refer Note No. 46 of Consolidated financial statement.

### 9. Cash and cash equivalents (As certified by the management)

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Balances with banks			
In Current accounts		262.99	261.09
in Fixed Deposit (having original maturity of less than 3 months)		44.37	19.83
(b) Cheques on hand		173.94	200.94
(c) Cash on hand		7.82	2.11
		<b>489.12</b>	<b>483.97</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 10. Other Bank balances

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend (in dividend current account)	10.1	0.07	0.07
Fixed Deposit with Bank (having original maturity of more than 3 months and less than 12 Months)		822.89	874.37
		<b>822.96</b>	<b>874.44</b>

### Notes:

**10.1** 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.

## 11. Loans

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered good unless otherwise stated)</b>			
<b>At Amortised Cost</b>			
(a) Loans to employees		96.53	110.48
(b) Loans to bodies corporate	11.1	1,654.28	5,843.40
(c) Loans to others		114.90	-
		<b>1,865.71</b>	<b>5,953.88</b>

**11.1** Represents Loan granted for Business Purpose

## 12. Other Financial Assets

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, Considered good unless otherwise stated)</b>			
<b>At Amortised Cost</b>			
(a) Security Deposit		31.43	37.88
(b) Grant Receivable	5.2	90.00	92.00
(c) Interest accrued on Deposits		5.42	4.54
(d) Others		3.15	-
		<b>130.00</b>	<b>134.42</b>

## 13. Other Current Assets

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Advances other than Capital advances</b>			
(a) Advances against goods and services		8,669.46	7,681.35
(b) Balances with government authorities		101.82	5.03
(c) Prepaid expenses		60.01	42.93
(d) Prepayments	41	-	33.37
(e) Deferred Loss on fair valuation of Financial instrument		0.69	0.87
(f) Surplus in gratuity Fund	13.1	22.70	20.02
(g) Others		116.68	-
		<b>8,971.36</b>	<b>7,783.57</b>

### Notes:

**13.1** Surplus in Gratuity Fund represents balance available with Employee Gratuity Fund under Group Gratuity Cash Accumulation ( GGCA Schemes) in one of the subsidiary company which has discontinued the annual contribution under the said scheme since earlier years. During the year, the said subsidiary company has recognised the interest income of Rs. 2.68 lakhs (Previous year Rs. 14.21 Lakhs) accrued on the balance available with the said fund.

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 14. Assets classified as held for sale

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments of a subsidiary	15.1	305.22	305.22
		<b>305.22</b>	<b>305.22</b>

**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, subsidiary of the holding company consisting of 508693 equity shares of Rs. 60/- each subject to compliance and completion of the formalities under the Foreign Exchange Management Act and the conditions precedent in terms of the Sale Purchase Agreement. Consequently, the said investments has been classified as held for sale at its realisable value.

## 15. Equity Share Capital

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>			
500,000,000 Equity Shares of ₹ 1 each (Previous Year 500,000,000 shares of ₹ 1 each)		5,000.00	5,000.00
		<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and fully paid up:</b>			
225,086,460 Equity Shares of ₹ 1 each (Previous Year 225,086,460 shares of ₹ 1 each)		2,250.86	2,250.86
		<b>2,250.86</b>	<b>2,250.86</b>

### Notes:

**15.1** The company has one class of equity shares having a par value of ₹ 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

Name of Equity Shareholders	Number of Equity Shares Held	
	As at March 31, 2020	As at March 31, 2019
Ram Gopal Bansal	3,57,50,000	3,57,50,000
Harsh Kumar Bansal	1,84,47,250	1,84,47,250
Vivek Kumar Bansal	1,40,22,080	1,40,22,080

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 16. Other Equity

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Capital Reserve</b>			
As per last Balance Sheet		14,379.48	14,379.48
Acquisition of subsidiaries (Refer Note No. 45)		51.38	-
<b>As at Balance Sheet date</b>	<b>16.2</b>	<b>14,430.86</b>	<b>14,379.48</b>
<b>Securities Premium</b>			
As per last Balance Sheet		16,682.97	16,682.97
<b>As at Balance Sheet date</b>	<b>16.3</b>	<b>16,682.97</b>	<b>16,682.97</b>
<b>General Reserve</b>			
As per last Balance Sheet		2,207.29	2,207.29
<b>As at Balance Sheet date</b>	<b>16.4</b>	<b>2,207.29</b>	<b>2,207.29</b>
<b>Retained earnings</b>			
As per last balance sheet		30,238.19	26,105.72
Profit for the year		2,189.72	4,168.57
Transfer from Other Comprehensive Income		(36.38)	19.67
Less: Dividend paid		-	(45.01)
Less: Tax on Final Dividend		-	(10.76)
Acquisition of subsidiaries (Refer Note No. 45)		1,459.92	-
<b>As at Balance Sheet date</b>		<b>33,851.45</b>	<b>30,238.19</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income for the year		(36.38)	19.67
Transfer to retained earnings		36.38	(19.67)
<b>As at Balance Sheet date</b>	<b>16.5</b>	<b>-</b>	<b>-</b>
		<b>67,172.57</b>	<b>63,507.93</b>

### Notes:

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

### 16.2 Capital Reserve

Name of the Bodies Corporate	As at March 31, 2020	As at March 31, 2019
Government Grant Received	15.00	15.00
Forfeiture of Warrants convertible to Equity Shares	417.17	417.17
Capital Reserve on Consolidation	13,998.69	13,947.31
	<b>14,430.86</b>	<b>14,379.48</b>

### 16.3 Securities Premium

Securities Premium 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.

### 16.4 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. This includes Other Comprehensive Income/(Loss) of (Rs. 50.62 Lakhs) (March 31, 2019: (Rs. 13.22 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

### 16.5 Other Comprehensive Income

Other Comprehensive Income represents gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 16.4 above.

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 17. Borrowings

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
		Non current	Current	Non current	Current
<b>At Amortised Cost</b>					
<b>A. Secured</b>					
(a) Term loans					
From banks					
- Rupee Loan	17.1.1	1,971.31	3,128.90	3,740.83	2,929.31
- Foreign Currency Loan	17.1.2	-	2,270.52	2,083.38	2,559.38
From Others	17.1.3	1,531.86	382.35	-	-
(b) Vehicle Loan		-	-		
From banks	17.1.4	13.26	158.70	119.06	422.75
From Others	17.1.4	-	32.98	29.97	24.52
		<b>3,516.43</b>	<b>5,973.45</b>	<b>5,973.24</b>	<b>5,935.96</b>
<b>B. Unsecured</b>					
From Bodies Corporate	17.1.5	397.67	-	1,710.68	-
		<b>397.67</b>	<b>-</b>	<b>1,710.68</b>	<b>-</b>
<b>Total</b>		<b>3,914.10</b>	<b>5,973.45</b>	<b>7,683.92</b>	<b>5,935.96</b>

### 17.1 Nature of Security

**17.1.1** Rupee Term Loan of Rs. 5100.21 Lakhs (Previous Year Rs. 6670.14 Lakhs) 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 three 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	Rupees in Lakhs
2020-2021	3128.90
2021-2022	971.31
2022-2023	1,034.43
<b>Total</b>	<b>5,134.64</b>

**17.1.2** 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 Plant and Machineries and Other movable fixed assets. Further secured by personal guarantee of the three 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	Rupees in Lakhs
2020-2021	2,270.51
<b>Total</b>	<b>2,270.51</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

**17.1.3** Secured by hypothecation of first charge over the company movable and immovable fixed assets at Adityapur and Manifit units of the Holding company acquired thereagainst. Rate of interest being ranges from 9.25% to 10.25% and is repayable at unamortised cost as follows:

Financial Year	Rupees in Lakhs
2020-2021	382.35
2021-2022	470.59
2022-23	470.59
2023-24	470.59
2024-25	136.31
<b>Total</b>	<b>1,930.43</b>

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

Financial Year	Rupees in Lakhs
2020-2021	191.68
2021-2022	13.26
<b>Total</b>	<b>204.94</b>

**17.1.5** Interest free Unsecured Loan at unamortised cost outstanding as on March 31, 2020 is payable as per the repayment schedule as follows:

Financial Year	Rupees in Lakhs
2023-2024	397.67
<b>Total</b>	<b>397.67</b>

### 18. Non Current - Other Financial Liabilities

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>At Amortised Cost</b>			
Security Deposit		1,397.17	1,270.15
Lease Liability	41	1,542.96	-
		<b>2,940.13</b>	<b>1,270.15</b>

### 19. Non Current-Provision

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	19.1	345.96	234.82
		<b>345.96</b>	<b>234.82</b>

#### Notes:

**19.1** For other disclosures, Refer Note No. 42

### 20. Deferred Tax Liabilities (Net)

The following is the analysis of Deferred Tax Liabilities / (Assets) presented in the Standalone Balance Sheet Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Deferred Tax Assets		(1,488.56)	(2,286.10)
(b) Deferred Tax Liabilities		5,985.86	7,475.84
<b>Net deferred Tax Liabilities/(Assets)</b>		<b>4,497.30</b>	<b>5,189.74</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

Components of Deferred tax Liabilities/(Assets) as at March 31, 2020 are given below :

Rupees in Lakhs

Particulars	As at March 31, 2019	Acquisition of subsidiaries (Refer Note No. 45)	Charges/ (Credit) recognised in the Statement of Profit and Loss	Charges/ (Credit) recognised in the Other Comprehensive Income	As at March 31, 2020
<b>Deferred Tax Assets</b>					
Defined benefit obligations	83.85	-	15.37	(12.37)	80.85
MAT Credit entitlement	1,985.06	341.96	1,948.47	-	378.55
Lease Rentals and Others	83.07	-	8.85	-	74.22
Brought forward Unabsorbed Depreciation	48.71	-	14.65	-	34.06
Fair Valuation of Financial Instruments	85.41	-	(77.92)	-	163.33
Unabsorbed Business Loss	-	984.52	226.97	-	757.55
<b>Total Deferred Tax Assets</b>	<b>2,286.10</b>	<b>1,326.48</b>	<b>2,136.39</b>	<b>(12.37)</b>	<b>1,488.56</b>
<b>Deferred Tax Liabilities</b>					
Unsecured Loan	-	0.19	0.06	-	0.25
Timing difference with respect to Property, Plant & Equipment and Intangible assets	7,475.84	827.62	(2,317.84)	-	5,985.61
<b>Total Deferred Tax Liabilities</b>	<b>7,475.84</b>	<b>827.61</b>	<b>(2,317.78)</b>	<b>-</b>	<b>5,985.86</b>
<b>NET DEFERRED TAX LIABILITIES/(ASSETS)</b>	<b>5,189.74</b>	<b>(498.87)</b>	<b>(181.39)</b>	<b>(12.37)</b>	<b>4,497.30</b>
Disclosed as					
Deferred Tax Assets	22.46				418.22
Deferred Tax Liabilities	5,212.20				4,915.52
<b>NET DEFERRED TAX LIABILITIES/(ASSETS)</b>	<b>5,189.74</b>				<b>4,497.30</b>

Components of Deferred tax Liabilities/(Assets) as at March 31, 2019 are given below :

Rupees in Lakhs

Particulars	As at March 31, 2018	Charges/ (Credit) recognised in the Statement of Profit and Loss	Charges/ (Credit) recognised in the Other Comprehensive Income	As at March 31, 2019
<b>Deferred Tax Assets</b>				
Defined benefit obligations	17.16	(77.45)	10.76	83.85
Mat Credit entitlement	2,787.87	802.81	-	1,985.06
Lease Rentals and Others	(77.06)	(160.13)	-	83.07
Brought forward Unabsorbed Depreciation	78.39	29.67	-	48.71
Fair Valuation of Financial Instruments	-	(85.41)	-	85.41
<b>Total Deferred Tax Assets</b>	<b>2,806.36</b>	<b>509.50</b>	<b>10.77</b>	<b>2,286.10</b>
<b>Deferred Tax Liabilities</b>				
Amortisation of transaction cost on loan				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	7,097.65	378.19	-	7,475.84
Others	0.01	(0.01)	-	-
<b>Total Deferred Tax Liabilities</b>	<b>7,097.66</b>	<b>378.18</b>	<b>-</b>	<b>7,475.84</b>
<b>NET DEFERRED TAX LIABILITIES/(ASSETS)</b>	<b>4,291.30</b>	<b>887.68</b>	<b>10.77</b>	<b>5,189.74</b>
Disclosed as				
Deferred Tax Assets	41.44			22.46
Deferred Tax Liabilities	4,332.74			5,212.20
<b>NET DEFERRED TAX LIABILITIES/(ASSETS)</b>	<b>4,291.30</b>			<b>5,189.74</b>

20.1 Also refer Note No. 36.1

20.2 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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

20.3 Deferred tax assets and liabilities have been adjusted when these pertain to the same legal entity and thereby net deferred tax liabilities/(assets) have been disclosed as follows:

Particulars	Rupees in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Consolidated Net Deferred Tax Liabilities	4,915.52	5,212.20
Consolidated Net Deferred Tax Assets	418.22	22.46
<b>Consolidated Net Deferred Tax Liabilities/(Assets)</b>	<b>4,497.30</b>	<b>5,189.74</b>

### 21. Other Non Current Liabilities

Particulars	Note No.	Rupees in Lakhs	
		As at March 31, 2020	As at March 31, 2019
(a) Deferred gain on fair valuation of financial instrument		484.72	1,397.84
(b) Deferred revenue arising from Government Grants		263.93	298.22
		<b>748.65</b>	<b>1,696.06</b>

### 22. Borrowings

Particulars	Note No.	Rupees in Lakhs	
		As at March 31, 2020	As at March 31, 2019
<b>Secured</b>			
<b>From Banks</b>			
Cash credit/Working capital facilities repayable on demand	22.1	19,053.87	21,425.02
<b>Unsecured</b>			
<b>From Bank</b>			
Cash credit/Working capital facilities repayable on demand	22.2	1,104.00	2,107.48
Loan from Bodies Corporate-interest free		309.21	-
		<b>20,467.08</b>	<b>23,532.50</b>

22.1 Cash credits of Rs. 18,551.96 of Holding Company and Rs. 65.08 lakhs in respect of one of its subsidiary company (Previous Year Rs. 21,014.83 Lakhs) from banks are secured by hypothecation of current assets including inventories and book debts and collateral security of pari pasu charge over fixed assets of the group and guaranteed by three directors of the Company.

Cash Credit of Rs. 436.83 Lakhs (Previous Year Rs. 410.19 Lakhs) is secured against Fixed Deposits Receipts (Also Refer Note No. 5.1)

22.2 Unsecured Borrowings are guaranteed by three directors of the Holding Company.

### 23. Trade payables- Current

Particulars	Note No.	Rupees in Lakhs	
		As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro Enterprise and Small Enterprises	23.1	-	-
Total outstanding dues of creditors other than Micro Enterprise and Small Enterprises		2,577.49	4,066.30
		<b>2,577.49</b>	<b>4,066.30</b>

23.1 There are no dues to Micro and Small enterprises as at March 31, 2020. 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.

23.2 Trade payables are non-interest bearing and are normally settled on 30 to 120 day terms.

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 24. Financial Liabilities- Current

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Financial Liabilities at amortised cost			
Current maturities of long-term debts	17	6,156.94	5,935.96
Lease Liability		11.97	-
(b) Security Deposit		94.84	99.50
(c) Liabilities for Capital Goods			
Total outstanding dues of micro enterprise and small enterprises	24.1	-	-
Total outstanding dues of Creditors other than micro enterprise and small enterprises		81.33	525.88
(d) Payables to Employees		148.42	-
(e) Unpaid dividend		0.07	0.07
(f) Fair Value of Foreign Exchange Forwards ( Refer Note 44)		-	26.08
(g) Interest Accrued but not due		34.56	-
(h) Mark to Market Derivative		17.85	-
(i) Others		1,022.42	763.80
		<b>7,568.40</b>	<b>7,351.29</b>

**24.1** There are no dues to Micro and Small enterprises with regard to the supplier of capital goods as at March 31, 2020. 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.

## 25. Other Current liabilities

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	25.1	-	657.59
(b) Statutory Dues ( includes Goods and Services Tax, Provident Fund, Employees State Insurance, Tax Deducted at Source, etc.)		40.50	702.28
(c) Deferred gain on fair valuation of financial instruments		164.20	321.63
(d) Deferred revenue arising from Government Grants		34.28	34.28
		<b>238.99</b>	<b>1,715.78</b>

### 25.1 Contract Balances

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards products or services to be provided in future periods. Revenue is recognised once the performance obligation is met i.e. once the control over a product or service has been transferred to the customer.

## 26. Provisions- Current

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	26.1	14.04	6.72
Others		-	0.22
		<b>14.04</b>	<b>6.94</b>

**26.1** For other disclosures, refer Note 42

## 27. Current Tax Liability ( Net)

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (Net of Advance Tax)		291.25	404.54
		<b>291.25</b>	<b>404.54</b>

**27.1** Provision for Tax is net of Advance Tax including Tax deducted at Source of Rs. 1664.25 lakhs (March 31, 2019 Rs. 8275.24 lakhs)

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 28. Revenue from Operations

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Sale of Products		19,457.30	36,119.64
(b) Conversion Income		38,730.52	38,717.83
(c) Other Operating Revenue		-	-
Transportation Charges, Supervision and Services		3,277.23	7,827.33
Loading and Weighment Charges		13.58	-
Others - Brokerage		-	199.34
		<b>61,478.63</b>	<b>82,864.14</b>

### Notes

#### 28.1 Disaggregation of Revenue

##### Revenue based on Geography

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Domestic		61,478.63	82,848.22
Export		-	15.92
<b>Total</b>		<b>61,478.63</b>	<b>82,864.14</b>

## 29. Other Income

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Interest Income</b>			
- On Financial Instruments measured at amortised Cost	29.1	1,071.40	1,780.63
- On deposits		199.81	233.81
- Surplus in gratuity fund		2.68	-
- Income Tax Refund		0.55	-
<b>Other non-operating income (net of expenses directly attributable to such income)</b>			
(b) Government Grant		34.28	34.28
(c) Profit on sale of Property, Plant and Equipment		-	133.79
(d) Liabilities no longer required written back		108.71	233.14
(e) Insurance Claim		12.96	-
(f) Rent Income		22.00	-
(f) Miscellaneous Income		139.72	242.55
		<b>1,592.11</b>	<b>2,658.20</b>

**29.1** Includes Rs. 915.52 Lakhs (Previous Year Rs. 1489.48 Lakhs) arising due to fair value adjustments on prepayments of certain non-current borrowings during the year. Correspondingly, Rs. 1240.87 Lakhs (Previous Year Rs. 1750.20 lakhs) in this respect have been shown under Interest Expenses. (Refer Note 33.1)

## 30. Cost of Materials Consumed

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials Consumed		31,015.44	47,183.58
		<b>31,015.44</b>	<b>47,183.58</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 31. Changes in stock of finished goods, stock in trade and work-in-progress

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening Stock</b>			
Finished Goods		6,424.25	6,726.18
Work in Progress		2,977.43	2,880.63
		<b>9,401.68</b>	<b>9,606.81</b>
<b>Less: Closing Stock</b>		-	
Finished Goods		6,187.74	6,424.26
Work in Progress		3,049.74	2,977.44
		<b>9,237.48</b>	<b>9,401.70</b>
<b>(Increase)/ Decrease in Inventories of Finished goods, Stock-in - Trade and Work-in-Progress</b>		<b>164.20</b>	<b>205.11</b>

### 32. Employee benefits expense

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages		2,528.43	2,669.76
(b) Contribution to provident fund	42	131.73	96.73
(c) Staff welfare expenses		52.59	296.10
		<b>2,712.75</b>	<b>3,062.59</b>

### 33. Finance Costs

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest on Financial Liabilities at Amortized Cost</b>			
on Borrowings	33.1	4,399.16	5,627.28
on Lease Liabilities	33.2	132.92	-
Amortisation of transaction costs		18.97	-
		<b>4,551.05</b>	<b>5,627.28</b>

**33.1** Includes Rs. 1240.87 Lakhs (Previous Year Rs. 1750.20 lakhs) arising due to fair value adjustments on prepayments of certain non-current borrowings during the year. Correspondingly, Rs. 915.52 Lakhs (Previous Year Rs. 1489.48 Lakhs) in this respect have been shown under Other Income. (Refer Note 29.1)

**33.2** The Group has adopted Ind AS 116 "Leases" effective April 1, 2019 and has applied the same to its existing leases using modified retrospective approach. Accordingly, previous period information has not been restated and is not comparable to that extent (also Refer Note No. 41)

### 34. Depreciation and Amortisation Expenses

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
on Property, Plant and Equipment (including Right-of-Use-Assets)	2	4,731.87	4,673.41
on Intangible Assets	3	0.51	6.92
		<b>4,732.38</b>	<b>4,680.33</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 35. Other Expenses

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares		1,581.52	3,317.55
Power and Fuel		6,568.16	5,522.54
Rent	35.1	248.68	294.88
Repairs and Maintenance to Building and Machinery		409.42	268.11
Amortization of Leasehold Payments		-	5.41
Rates and Taxes	35.2	224.73	100.39
Transportation Charges Paid		1,259.14	1,839.23
Directors' Sitting Fees		1.16	1.06
Carriage inward		397.64	484.98
Loss on Sale of Investments		80.37	-
Loss on Sale of Property, Plant and Equipment		9.72	-
Auditor's Remuneration	35.3	27.37	32.31
Irrecoverable Balances written off		1,718.29	1,435.16
Exchange Difference Loss		179.29	435.64
Loss on Mark to Market Margin derivative		17.85	-
Corporate Social Responsibility	35.4	114.65	111.99
Miscellaneous expenses		3,858.16	3,807.41
		<b>16,696.15</b>	<b>17,656.66</b>

**35.1** The Group has incurred Rs. 248.68 Lakhs and 294.88 Lakhs for the year ended March 31, 2020 and March 31, 2019 respectively towards rental expenses relating to short term leases and leases of low value assets. The total cash outflow for leases is Rs. 248.68 Lakhs and 294.88 Lakhs for the year ended March 31, 2020 and March 31, 2019 respectively.

**35.2** \*Includes Rs. 82.88 Lakhs (March 31, 2019 Rs. Nil) being payment made to Central Board of Excise and Custom Authorities under Sabka Vishwas (legacy Dispute Resolution) Scheme, 2019.

### 35.3 Auditor's Remuneration includes:

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Audit Fees		16.72	16.41
(b) Tax Audit Fees		6.20	6.20
(c) Certifications and other Services		4.45	9.70
		<b>27.37</b>	<b>32.31</b>

### 35.4 Corporate Social Responsibility

Includes Rs 114.65 lakhs (March 31, 2019 Rs 111.99 lakhs) on account of Corporate Social Responsibility(CSR). Gross Amount required to be spent by the Group during the year Rs 114.44 lakhs (March 31, 2019 Rs. 99.18 lakhs). Also Refer Note 35.4.1 and 35.4.2

#### 35.4.1 Amount Spent during the year 2019-2020

Rupees in Lakhs

Particulars	In Cash	Total Yet to Be Paid in cash	Total
i. Construction/acquisition of any assets	NIL	Nil	NIL
ii. On purpose other than (i) above			
(a) By way of contribution to Trust setup for the said purpose	114.65	Nil	114.65
(b) Chief Minister Distress relief Fund	-	-	-

#### Amount Spent during the year 2018-2019

Rupees in Lakhs

Particulars	In Cash	Total Yet to Be Paid in cash	Total
i. Construction/acquisition of any assets	NIL	Nil	NIL
ii. On purpose other than (i) above			
(a) By way of contribution to Trust setup for the said purpose	110.99	Nil	110.99
(b) Chief Minister Distress relief Fund	1.00	Nil	1.00

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 36. Tax Expense

Rupees in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current Tax</b>			
In respect of Earlier Year		-	6.11
In respect of Current Year		1,175.93	1,386.67
<b>Total Current tax expense recognised in the current year</b>		<b>1,175.93</b>	<b>1,392.78</b>
<b>Deferred Tax</b>			
In respect of Current Year		(181.39)	887.68
<b>Total Deferred tax expense recognised in the current year</b>		<b>(181.39)</b>	<b>887.68</b>
<b>Total Tax expense recognised in the current year in Profit and Loss</b>		<b>994.54</b>	<b>2,280.46</b>

**36.1** The Holding Company has during the year ended March 31, 2020 exercised the options for paying income tax at concessional rates subject to the compliances, conditions as specified under section 115BAA of the Income Tax Act 1961, (new tax regime) effective April 01, 2019 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and promulgated as the Taxation laws (Amendment) Act, 2019 enacted on December 11, 2019. Accordingly, Deferred Tax Liability (net) recognised earlier as at March 31, 2019 has been remeasured and the estimate for tax expense comprising of both current and deferred tax for the year ended March 31, 2020 have been revised. Consequential impact in this respect has been given effect to during the current year. Accordingly, charge on account of taxation is lower by Rs. 27.45 lakhs.

In respect of subsidiaries where there is unutilised amount of Minimum Alternate Tax(MAT), it has been decided to continue with existing tax structure and as such no adjustment consequent to above has been considered necessary.

#### 36.2 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 :

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Profit before tax</b>	3,198.77	6,459.76
Income tax expense calculated at 25.17% and 34.94% for March 31, 2020 and March 31, 2019 respectively as applicable for corporate entities on taxable profits under the Indian tax laws.	883.86	2,257.30
<b>Add: Effect of Expenses that are not deductible in determining taxable profit</b>		
Income Tax related to earlier years	-	6.11
Depreciation provided in the books	-	4.57
Effect of fair valuation of Financial assets and Financial Liabilities	-	21.69
Effect of other adjustments	-	2.81
Effect of change in tax rate and others	110.68	
<b>Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit</b>		
Effect of lower Tax rate in subsidiary	-	12.02
<b>Income Tax recognised in the Statement of profit and loss</b>	<b>994.54</b>	<b>2,280.46</b>

The tax rate used for reconciliations above is the corporate tax rate of 22%/25% plus applicable surcharge and cess etc. payable by corporate entities in India on taxable profits under the Indian tax laws.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 36.3 Income Tax recognised in Other Comprehensive Income

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Deferred tax (charge)/ Credit on</b>		
Remeasurement of defined benefit obligation	12.37	(10.76)
<b>Total income tax recognised in other comprehensive income</b>	<b>12.37</b>	<b>(10.76)</b>
<b>Bifurcation of the income tax recognized in Other comprehensive income into :</b>		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	12.37	(10.76)

### 36.4 Components of Other Comprehensive Income

Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Items that will not be reclassified to profit or (loss)</b>		
Remeasurement of defined benefit obligation(Net of Tax)	(36.92)	20.96
	<b>(36.92)</b>	<b>20.96</b>

## 37. Contingent Liabilities and Commitments (to the extent not provided for)

### A. Contingent Liabilities

#### 1 In respect of Holding Company

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the Company not acknowledged as Debt</b>		
i. Counter guarantee issued by company to bank, in respect of bank guarantee issued	5,243.18	4,730.29
ii. Income tax demands under appeal - Disallowances contested by the Group	178.34	178.34
iii. Sales Tax Demand Under appeal - Disallowances of Input Tax credits	115.52	115.52

#### 2 In respect of Subsidiary Companies

The subsidiary companies have no pending litigation with respect to claim against the company and proceedings pending with tax/statutory/Government authorities.

**37.A.1.(a)** The Holding Company's pending litigation comprises of claim against the Company and proceeding pending tax/statutory/Government authorities. The Holding company 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 Holding Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of (ii) and (iii) above are dependent upon the outcome of judgments / decisions.

### B. Capital and Other Commitment

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments {net of advances of Rs. 1988.24 lakhs (March 31, 2019- Rs. 1897.54 lakhs)}	200.32	600.32

### 37.B.1 Disclosure as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets

#### Contingent Assets

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, unresolved claims remains 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 Consolidated Financial Statements for the year ended March 31, 2020

38. 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.

### 39. Earnings Per Share

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Profit after Tax for Basic & Diluted Earnings Per Share as per Statement of Profit and Loss (₹)	2,189.72	4,179.30
(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 (₹)	1	1
(c) Earnings per share of Equity share of ₹1 each (in ₹) - Basic (a/b(i))	0.98	1.86
(d) Earnings per share of Equity share of ₹1 each (in ₹) - Diluted (a/b(ii))	0.98	1.86

### 40 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

Rupees in Lakhs

Particulars	2019-20	2018-19
<b>Revenue by Geographical market</b>		
Sale of Products and Services		
- Domestic	61,478.63	82,848.22
- Export	-	15.92
<b>Total</b>	<b>61,478.63</b>	<b>82,864.14</b>
<b>Assets</b>		
Trade Receivable		
- Within India	13,885.96	21,190.23
- Outside India	-	-
<b>Total</b>	<b>13,885.96</b>	<b>21,190.23</b>

#### (iii) Information about Major Customer

Revenue from Conversion Income of steel and steel products include sale of service to one Public Company pertaining to the Steel sector which account for more than 10% and amounting to Rs. 362,79.14 lakhs (March 31, 2019 - Rs. 335,13.58 lakhs) in aggregate of the total revenue of the Group.

### 41. Disclosure as per Ind AS 116 "Leases"

The Group has adopted Ind AS 116 'Leases' with effect from 1st April, 2019 and applied the Standard to lease contracts existing on 1st April, 2019 using the modified retrospective method, and therefore, comparatives for the year ended 31st March 2019 have not been restated.

The following is the summary of practical expedients elected on initial application:

- Applied the practical expedient to the transactions previously identified as leases under Ind AS 17.
- Applied the exemption not to recognize Right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 41.1 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Rupees in Lakhs	
Particulars	Land and Building
<b>As at April 1, 2019</b>	-
Reclassified on account of adoption of Ind AS 116 "Leases" (Refer Note 6 and 13)	490.55
Addition	1,348.68
Deletion	-
Depreciation	89.44
<b>As at March 31, 2020</b>	<b>1,749.78</b>

### 41.2 The following is the break-up of current and non-current lease liabilities:

Rupees in Lakhs	
Particulars	As at March 31, 2020
Current lease liabilities	11.97
Non-current lease liabilities	1,542.96
<b>Total</b>	<b>1,554.93</b>

### 41.3 The following is the movement in lease liabilities:

Rupees in Lakhs	
Particulars	For the year ended March 31, 2020
As at April 1, 2019	-
Reclassified on account of adoption of Ind AS 116 "Leases" (Refer Note 6 and 13)	209.76
Additions	1,253.30
Finance cost accrued during the period	132.92
Deletions	-
Payment of lease liabilities	(41.05)
<b>As at March 31, 2020</b>	<b>1,554.93</b>

### 41.4 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rupees in Lakhs	
Particulars	As at March 31, 2020
Not later than one year	53.72
Later than one year and not more than five years	188.47
Later than five years	2,48,044.23

41.5 Consequent to this, such assets amounting to Rs.1839.22 lakhs have been recognised as "Right-of-use" assets which includes Rs. 490.55 lakhs considered in previous year and now being so reclassified consequent to the adoption of said standard. Depreciation charge of Rs. 89.44 lakhs for Right-of-use assets is included under depreciation and amortization expense in the Statement of Profit and Loss. Finance cost in respect of corresponding lease liabilities of Rs. 132.92 lakhs has been measured and considered in these financial statements. Further, Cash inflows from operating activities and cash outflows from financing activities on account of lease payments has increased by Rs. 41.05 lakhs. Rental expenses for the year is lower by Rs. 53.72 lakhs and thereby Profit before taxes is lower by Rs. 181.31 lakhs.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 42. 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 : Rupees in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	135.21	95.10

#### 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.

#### A. Change in fair value of Defined Benefit Obligation :

Rupees in Lakhs

For Gratuity (Unfunded)	2019-20	2018-19
Present Value of Defined Benefit Obligations as at the beginning of the year	241.54	264.42
Current Service Cost	41.48	29.10
Past Service Cost	44.54	-
Interest Cost	18.46	20.36
Benefit Paid	(35.32)	(40.62)
Actuarial (Gain) / Losses	49.29	(31.72)
<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b>359.99</b>	<b>241.54</b>

#### B. Change in Fair Value of plan Assets :

Rupees in Lakhs

For Gratuity (Unfunded)	2019-20	2018-19
Fair value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan assets	-	-
Cotributions by the Employers	-	-
Benefit paid	-	-
Actuarial Gains/(Losses)	-	-
<b>Fair value of plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>

#### C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:

Rupees in Lakhs

For Gratuity (Unfunded)	2019-20	2018-19
Present Value of Defined Benefit Obligations as at the end of the year	359.99	241.54
Fair value of Plan Assets at the end of the year	-	-
<b>Liability /(Assets) recognized in the Balance Sheet</b>	<b>359.99</b>	<b>241.54</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### D. Components of Defined Benefit Cost

Rupees in Lakhs

For Gratuity (Unfunded)	2019-20	2018-19
Current Service Cost	41.48	29.10
Past Service Cost	44.54	-
Interest Cost	18.46	20.36
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	49.29	(31.72)
<b>Total Defined Benefit Cost recognized in the Statement of Profit and Loss and OCI</b>	<b>153.76</b>	<b>17.74</b>

### E. Principal Actuarial Assumptions used

Rupees in Lakhs

For Gratuity (Unfunded)	2019-20	2018-19
Discounted Rate (per annum) Compound	6.85%	7.75%
Salary Inflation Rate	6.00%	6.00%
Mortality Rate	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
Attrition Rate	1.00%	1.00%
Retirement age	58 Years	58 Years
Expected Rate of return on Plan Assets	NA	NA

### F. Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)

Rupees in Lakhs

Experience History	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Defined Benefit Obligations	359.99	241.54	264.42	273.82	209.24
Fair value of Plan Assets	-	-	-	-	-
Status [Surplus/(Deficit)]	359.99	241.54	264.42	273.82	209.24
Experience Adjustment on Plan Assets [Gain/(Loss)]	-	-	-	-	-
Experience Adjustment on Obligation [Gain/(Loss)]	-	-	-	-	-

### G. Sensitivity analysis

Rupees in Lakhs

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	338.38	383.12	227.30	257.10
%Change Compared to base due to sensitivity	-5.880%	6.428%	-5.893%	6.442%
Salary Growth (-/+ 0.5%)	383.03	338.56	256.86	227.27
%Change Compared to base due to sensitivity	6.248%	-5.828%	6.343%	-5.907%
Attrition Rate (-/+ 0.5%)	360.43	359.56	242.11	240.96
%Change Compared to base due to sensitivity	0.123%	-0.128%	0.238%	-0.241%
Mortality Rate (-/+ 10%)	-	-	-	-
%Change Compared to base due to sensitivity	-	-	-	-

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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### H. Estimate of expected benefit payments (In absolute terms i.e. undiscounted) Rupees in Lakhs

Particulars	Gratuity (₹)
April 01, 2020 to March 31, 2021	14.04
April 01, 2021 to March 31, 2022	13.40
April 01, 2022 to March 31, 2023	9.33
April 01, 2023 to March 31, 2024	19.23
April 01, 2024 to March 31, 2025	14.46
April 01, 2025 Onwards	158.24

### I. Average number of people employed Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Average number of people employed	690	633

### 43. 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:

<b>Subsidiaries</b>	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
	Nippon Cryo Private Limited (Step Down Subsidiary)
	BMW Iron and Steel Industries Limited (Step Down Subsidiary)
	Bansal Nepal Private Limited (Refer Note No. 14.1)
<b>Key Managerial Personnel</b>	Ram Gopal Bansal
	Harsh Kumar Bansal
	Vivek Kumar Bansal
<b>Enterprises over which Key Managerial Personnel has significant influence</b>	JIT Transport Organisation
	Encash Commercial Private Limited
	Pioneer Goods Private Limited
	Jayamala Commercial Private Limited
<b>Joint venture of SAIL Bansal Service Centre Limited</b>	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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### B2) Nature of Transaction with the related parties referred to in serial no. ( A ) above

Rupees in Lakhs

Nature of Transactions	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(i) Sale of Services</b>			
Steel Authority of India Limited		79.80	169.95
<b>(ii) Recovery of Transportation Charges</b>			
Steel Authority of India Limited			59.01
<b>(iii) Rent Paid</b>		25.16	
Ram Gopal Bansal		15.00	15.00
<b>(iv) Remuneration</b>			
Ram Gopal Bansal	43.F	91.00	156.00
Harsh Bansal		120.00	120.00
Vivek Bansal		120.00	120.00
Subhas Chandra Gupta		10.00	-
<b>(v) Rent Received</b>			
JIT Transport Organisation		25.20	25.20
<b>(vi) Irrecoverable balances Written Off</b>			
Bansal Nepal Private Limited		-	221.11

### C) Balances of Related parties is as follows:

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>(i) Outstanding Balances (Receivables)</b>			
Steel Authority of India Limited		11.27	21.65
JIT Transport Organisation		19.63	90.30

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

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits		341.00	396.00
Post-employment benefits*		-	-

\*Excluding contribution to gratuity fund

In respect of above parties there is a provision of Rs. NIL (March 31, 2019 NIL) as on March 31, 2020 and Rs. NIL (March 31, 2019 Rs. 221.11 lakhs) has been written off during the year 2019-2020 in respect of debts due from them.

- E) The above related parties information is as identified by the management and relied upon by the auditor.
- F) Mr. Ram Gopal Bansal, whole-time Director and Chairman of the Group has waived his remuneration with effect from November 01, 2019 till March 31, 2020.

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

## 44. Financial Instruments

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

Rupees in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	13,885.96	13,885.96	21,190.23	21,190.23
Cash and cash equivalents	489.12	489.12	483.97	483.97
Other Bank Balances	822.96	822.96	874.44	874.44
Investments in Subsidiaries	7,687.28	7,687.28	7,687.28	7,687.28
Loans	1,865.71	1,865.71	5,953.88	5,953.88
Other Financial Assets	985.69	985.69	908.89	908.89
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	30,538.12	30,538.12	37,151.99	37,151.99
Trade Payables	2,577.49	2,577.49	4,066.30	4,066.30
Other Financial Liabilities	4,351.60	4,351.60	2,659.40	2,659.40
Derivative - not designated as hedging instruments: Forward	-	-	26.08	26.08

### Fair Valuation Techniques

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

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

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

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

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

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

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

Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place. The inputs used for forward contracts are Forward foreign currency exchange rates.

### Derivative Instruments

The Group follows risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material.

i) The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

#### As on March 31, 2020

Category	Currency	Number of Deals	Amount in USD (Lakhs)	Underlying Purpose
Interest Rate Swap	USD/ INR	One	30.12	External Commercial Borrowings

# Notes to Consolidated Financial Statements for the year ended March 31, 2020

As on March 31, 2019

Category	Currency	Number of Deals	Amount in USD (Lakhs)	Underlying Purpose
Forward	USD/ INR	One	9.21	External Commercial Borrowings

ii) Unhedged Foreign Currency exposures are as follows: -

Nature	Currency	Amount in Foreign Currency (USD in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
External Commercial Borrowings	USD	30.12	58.89

The table below analyses the derivative financial instruments into relevant maturity groups based on the remaining period as of the balance sheet date:

Particulars	Amount in Foreign Currency (USD in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Not Later than One Month	-	-
Later than one month and not later than three months	-	-
Later than three months and not later than one year	-	9.21
Later than one year	-	-

## 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 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. this however, does not take into account the possible effect of prevailing pandemic due to outbreak of COVID-19 being based on future development and currently not determinable as dealt with in Note no. 46.

## 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 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	Rupees in Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Rupee Loan	+0.50	(449.78)	463.00
Foreign Currency Loan	+0.50	105.77	117.79

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

A decrease in 0.50 basis point in Rupee Loan and Foreign Currency Loan would have an equal and opposite effect on the Group'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.

Particulars	Rupees in Lakhs	
	As at March 31, 2020	As at March 31, 2019
	Borrowings	Borrowings
USD	2,270.51	4,642.76

Particulars	Rupees in Lakhs	
	Nature of Transactions	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Payables (Weaking of INR by 5%)		
USD	(113.53)	(232.14)

Figures in bracket represent Loss.

A 5% strengthening of INR would have an equal and opposite effect on the Group'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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 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 Group can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

#### Interest rate and currency of borrowings

As at March 31, 2020

Rupees in Lakhs

Particulars	Total Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings	Interest free borrowings	Weighted average interest rate (%)
Borrowings in INR	28,267.61	596.30	24,960.17	2,711.13	9.59%
Borrowings in Foreign Currency (USD)	2,270.51	-	2,270.51	-	7.31%

As at March 31, 2019

Rupees in Lakhs

Particulars	Total Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings	Interest free borrowings	Weighted average interest rate (%)
Borrowings in INR	33,510.07	596.30	30,202.64	2,711.13	8.13%
Borrowings in Foreign Currency (USD)	4,642.76	-	4,642.76	-	10.37%

#### Maturity Analysis of unamortised Financial Liabilities

As at March 31, 2020

Rupees in Lakhs

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	30,538.12	20,467.08	2,303.24	1,675.03	6,092.76	30,538.12
Trade payables	2,577.49	-	2,577.49	-	-	2,577.49
Other Liabilities	4,351.60	0.07	4,351.53	-	-	4,351.60

As at March 31, 2019

Rupees in Lakhs

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	38,152.83	23,532.50	2,740.20	3,180.70	8,699.43	38,152.83
Trade payables	4,066.30	-	4,066.30	-	-	4,066.30
Other Liabilities	3,434.28	0.07	1,389.18	-	2,045.03	3,434.28

The Group has current financial assets which will be realised in ordinary course of business. The Group ensures that it has sufficient cash on demand to meet expected operational expenses.

The Group relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

#### Capital Management

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

The gearing ratio is as follows:

Rupees in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	30,538.12	37,152.38
Less : Cash and Cash Equivalents	489.12	484.04
Net Debt	30,049.00	36,668.34
Equity	69,423.43	65,831.03
Equity and Net Debt	99,472.43	1,02,499.37
Gearing Ratio	0.30	0.36

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

45. (a) The Subsidiary companies of the holding company have acquired the entire shares of companies (I) BMW Iron & Steel Industries Limited (BISIL) and (II) Nippon Cryo Private Limited (NCPL) and controls over these companies with effect from December 31, 2019. Accordingly, both BISIL and NCPL have become step down subsidiaries of the Holding Company by virtue of the right of control by the subsidiaries with effect from December 31, 2019. Accordingly, the group has applied the acquisition method in accounting for business combinations and the Consolidated Financial Statement includes the figures of above two companies with effect from January 01, 2020. Accordingly, previous year figures are not comparable with current year figures.
- (b) Consequent to note (a) above the group has recognised the capital reserve of Rs. 51.38 lakhs under Other Equity being the difference between the amount of share capital (including securities premium) of BISIL and NCPL of Rs. 405.03 lakhs and Rs. 300 lakhs (includes securities premium of Rs. 211.50 lakhs) respectively aggregating to Rs. 705.03 lakhs and the amount of investments of Rs. 653.65 lakhs in BISIL and NCPL through the subsidiary companies of the holding company.
- (c) The Board of Directors of the Holding Company in its meeting held on January 03, 2020, has approved the scheme of Amalgamation ('the scheme') of BISIL and NCPL with the Group with effect from 1st April, 2019 and the scheme is pending before National Group law Tribunal (NCLT) for its approval. Pending this, the consequential effect in this respect has not been given in this Consolidated Financial Statement.
46. (a) Consequent to outbreak of COVID 19 which has been declared a pandemic by World Health Organisation (WHO), Government of India and State Governments have declared lockdown which have affected business in general. The Group's primary source of revenue is from manufacturing and selling of engineering products and processing of steel. The Group's operation have been affected due to loss of production, suspension of the operation, disruption in supply chain, increase in credit period in respect of customer dues and non availability of personal during lockdown and various other facilities affecting the overall liquidity due to blockage of funds in inventories, receivables, etc. Though the production have started from mid of May, 2020 in Jamshedpur plant of the Group, the production in other plants are still affected. The Group has considered internal and external information while finalizing various estimates and taking assumptions in relation to its Consolidated Financial Statements preparation upto the date of approval of the Consolidated Financial Statements by the Board of Directors and no material impact of COVID-19 on the financial performance interalia including the carrying value of various current and non current assets or on the going concern assumptions of the Group is expected to arise. The actual impact of pandemic is however dependent upon future development and the Group will continue to monitor the variation in situations and consider the same as and when determinable.
- (b) Further, operation of Holding Company's plants at NH6 (Hazibagan) and GT Road have been extensively affected due to severe cyclonic storm Amphan, which hit the state of West Bengal on May 21, 2020. This has caused damage to the premises at plants and affected the operations at those plants. The operation at GT Road plant has since been commenced, however at Hazibagan the same is yet to be started. Consequential steps are being taken to assess the loss and the extent of possible claims thereagainst from insurance companies and restore the operations at the earliest.
47. Previous year figures have been regrouped wherever necessary to confirm with financial statements.
48. These Consolidated financial statements have been approved by the Board of Directors of the Company on July 10, 2020 for issue to the shareholders for their adoption.

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: July 10, 2020

For and on behalf of the Board of Directors

**Ram Gopal Bansal**

*Chairman*

DIN: 00144159

**Abhishek Agarwal**

*Chief Financial Officer*

**Harsh Bansal**

*Director*

DIN : 00137014

**Vikram Kapur**

*Company Secretary*



**BMWIL**  
BMW Industries Ltd.

## BMW INDUSTRIES LIMITED

(CIN: L51109WB1981PLC034212)

Regd. Office: White House, 3rd Floor, 119, Park Street, Kolkata – 700 016

### NOTICE OF THE 38TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 38th Annual General Meeting of the members of **BMW Industries Limited (CIN: L51109WB1981PLC034212)** will be held on **Wednesday, 30th December, 2020 at 11:00 A.M.** 1st through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

##### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the company (including Consolidated Financial Statements) for the financial year ended March 31, 2020 together with the Reports of Board of Directors and Auditors in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the company (including Consolidated Financial Statements) for the financial year ended March 31, 2020 together with the Reports of Board of Directors and Auditors thereon laid before this meeting be and is hereby received, considered and adopted."

##### 2. Appointment of Mr. Vivek Kumar Bansal as a director liable to retire by rotation

To consider appointment of a Director in place of Mr. Vivek Kumar Bansal (DIN: 00137120) who retires by rotation and being eligible, offers himself for reappointment as a director and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the Provision of Section 152 of the Companies Act, 2013, Mr. Vivek Kumar Bansal (DIN: 00137120), who retires by rotation at this meeting and being eligible has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

#### SPECIAL BUSINESS:

##### 3. Ratification of the Remuneration of Cost Auditor

To consider and, if thought fit, to pass with or without

modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions and subject to necessary approvals, if any, remuneration of Rs 1,00,000/- (Rupees One Lakh) plus goods and services tax as applicable and reimbursement of expenses, out of pocket or otherwise, approved by the Board of Directors, at the recommendation of the Audit Committee, of the Cost Auditors, **M/s Samar Dhar and Associates** for the Financial Year 2020 -21, be and is hereby ratified, with further authority to the Board of Directors to alter and/or vary the same in manner, as they may deem fit, proper and desirable, in best interest of the Company and also that the Board is authorized to do all acts and take all such steps, as may be necessary in this connection.

##### 4. Increase the Borrowing power under section 180(1)(c) of the Companies Act, 2013 up to 1000 Crores.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the special resolution passed by the Members of the Company at the Annual General Meeting held on 29th September, 2016 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business

of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 1,000 Crores (rupees one thousand crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**5. Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such

ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds,

matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

**6. Remuneration payable to Mr. Ram Gopal Bansal (DIN: 00144159) as the Whole Time Director designated as the Chairman of the Company for the remaining period of his tenure i.e. from 1st April, 2020 to 11th May, 2023, and consider, if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT further to the resolution passed by the Members at the 36th Annual General Meeting of the Company according their consent to the re-appointment of Mr. Ram Gopal Bansal (DIN: 00144159) as the Whole time Director designated as the Chairman of the Company for a period of 5 years commencing from 12th May, 2018, at a remuneration and on the terms & conditions mentioned therein, and pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and such other approvals as may be necessary in this regard, and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for the payment of the remuneration to Mr. Ram Gopal Bansal (DIN: 00144159) as the Whole time Director designated as the Chairman of the Company on the terms and conditions as set out in the Explanatory Statement for the period from 1st April, 20120 to 11th May, 2023."

"RESOLVED FURTHER THAT notwithstanding the profits in any financial year, the Company shall pay the remuneration as mentioned in explanatory statement as the minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient, incidental or desirable to give effect to this resolution."

**7. Remuneration payable to Mr. Harsh Kumar Bansal (DIN- 00137014) as the Managing Director of the Company for the remaining period of his tenure i.e. from 1st April, 2020 to 11th May, 2023, and consider,**

**if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT further to the resolution passed by the Members at the 36th Annual General Meeting of the Company according their consent to the re-appointment of Mr. Harsh Kumar Bansal (DIN- 00137014) as the Managing Director of the Company for a period of 5 years commencing from 12th May, 2018, at a remuneration and on the terms & conditions mentioned therein, and pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and such other approvals as may be necessary in this regard, and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for the payment of the remuneration to Mr. Harsh Kumar Bansal (DIN- 00137014) as the Managing Director of the Company on the terms and conditions as set out in the Explanatory Statement for the period from 1st April, 2020 to 11th May, 2023."

"RESOLVED FURTHER THAT notwithstanding the profits in any financial year, the Company shall pay the remuneration as mentioned in explanatory statement as the minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient, incidental or desirable to give effect to this resolution."

**8. Remuneration payable to Mr. Vivek Kumar Bansal (DIN- 00137120) as the Managing Director of the Company for the remaining period of his tenure i.e. from 1st April, 2020 to 11th May, 2023, and consider, if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT further to the resolution passed by the Members at the 36th Annual General Meeting of the Company according their consent to the re-appointment of Mr. Vivek Kumar Bansal (DIN- 00137120) as the Managing Director of the Company for a period of 5 years commencing from 12th May, 2018, at a remuneration and on the terms & conditions mentioned

therein, and pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and such other approvals as may be necessary in this regard, and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for the payment of the remuneration to Mr. Vivek Kumar Bansal (DIN- 00137120) as the Managing Director of the Company on the terms and conditions as set out in the Explanatory Statement for the period from 1st April, 2020 to 11th May, 2023."

**"RESOLVED FURTHER THAT** notwithstanding the profits in any financial year, the Company shall pay the remuneration as mentioned in explanatory statement as the minimum remuneration."

**"RESOLVED FURTHER THAT** the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient, incidental or desirable to give effect to this resolution."

**9. Remuneration payable to Mr. Subhash Chndra Gupta (DIN-00056770) as the Whole Time Director of the Company for the remaining period of his tenure from 1st April, 2020 to 29th May, 2022**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** further to the resolution passed by the Members at the 37th Annual General Meeting of the Company according their consent to the re-appointment of Mr. Subhash Chndra Gupta (DIN-00056770) as the Whole Time Director of the Company for a period

of 3 years commencing from 30th May, 2019, at a remuneration and on the terms & conditions mentioned therein, and pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) as amended and such other approvals as may be necessary in this regard, and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for the payment of the remuneration to Mr. Subhash Chandra Gupta (DIN-00056770) as the Whole Time Director of the Company on the terms and conditions as set out in the Explanatory Statement for the period from 1st April, 2020 to 29th May, 2022."

**"RESOLVED FURTHER THAT** notwithstanding the profits in any financial year, the Company shall pay the remuneration as mentioned in explanatory statement as the minimum remuneration."

**"RESOLVED FURTHER THAT** the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient, incidental or desirable to give effect to this resolution."

**By order of the Board**

**(Vikram Kapur)**

*Company Secretary*

Place- Kolkata

Date- 13th November, 2020

Membership No. A9812

**Registered Office:**

119, Park Street, White House,  
Kolkata – 700016

CIN: L51109WB1981PLC034212

Email: info@bmwil.co.in

## NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular No. 20 dated May 5, 2020 read with Circular No.14 dated 8 April, 2020 and Circular No.17 dated April 13, 2020 (hereinafter collectively referred to as the "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act,2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy form and Attendance Slip are not annexed to the Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF,NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc. Authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com) with copies marked to the Company at [info@bmwil.co.in](mailto:info@bmwil.co.in) and to its RTA at [absconsultant99@gmail.com](mailto:absconsultant99@gmail.com).
5. **Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email-address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions are to be followed:

  - i) Kindly Contact to ABS Consultant Pvt. Ltd., at 4 B.B.D Bag (East), Stephen House, R.No.99, 6th Floor, Kolkata-700 001 with required documents and submit. Or
  - ii) In the case of Shares held in Demat Mode:  
The shareholders may please contact the Depository Participant ("DP") and register the email-address and bank account details in the demat account as per the process followed and advised by the DP.
6. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those members whose email- addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA Circulars and Circular issued by SEBI dated May 12, 2020. Members may note that the Notice of the Annual General Meeting and Annual Report for the Financial Year 2019-20 will also be available on the Company's website at [www.bmwil.co.in](http://www.bmwil.co.in); and websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. The deemed venue for this meeting shall be registered office of the Company situated at 119, Park Street, 3rd floor, White House, Kolkata-700016.
8. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA, ABS Consultants Pvt. Ltd. for assistance in this regard.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone number/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code etc, to their DPs in case the shares are held by them in physical form.
11. Pursuant to Section 72 of the Companies Act, 2013,

members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the RTA in respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.

12. In case of joint shareholders attending the meeting, joint holder whose name is higher in the order of names will be entitled to vote.
13. In view of the amendment made to Section 139 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017 which is effective from 7th May, 2018, annual ratification of appointment of statutory auditors have been done away with. Hence no resolution has been proposed for the same.
14. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016("the IEPF Rules") as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall have to be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.
15. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
16. Since the AGM will be held through VC/OAVM, THE Route Map is not annexed in this Notice.
17. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to ABS Consultant Pvt. Ltd.
18. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, Companies can serve Annual Reports and other communication through electronic mode to those members who have registered their email address with the company or with the Depository. Members who have not registered their email- address with the company are requested to submit their request with their valid e-mail address to ABS Consultant Pvt. Ltd.
19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements

in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. 30th December, 2020. Members seeking to inspect such documents can send an email to [info@bmwil.co.in](mailto:info@bmwil.co.in).

20. Pursuant to Section 91 of the Companies Act, 2013 read with Rules framed there under and Regulation 42(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of Members and the Share Transfer Books of the company will remain closed from 24th December, 2020 to 30th December, 2020 (both days inclusive).
21. Members seeking clarification on the Annual Report are requested to send in written queries to the Company through email on [info@bmwil.co.in](mailto:info@bmwil.co.in) at least 7 days before the date of the meeting. This would enable the Company to compile the information and provide the replies at the Meeting.
22. Details as required in sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standards on General Meeting(SS-2) of ICSI, in respect of Director seeking reappointment at the 38th AGM, forms integral part of the Notice of the 38th AGM is given alongwith this Notice. Requisite declaration have been received from the Director seeking re-appointment.
23. The instructions to Members for voting Electronically are as under:

**General Instructions:**

- a. In compliance with the provisions of Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is offering facility of "remote e-voting"(e-voting from a place other than the venue of the AGM) to all its Members to enable them to exercise their right to vote on all the businesses to be transacted at the Meeting by electronic means. For this purpose, the Company has entered into an agreement with CDSL to facilitate e-voting.
- b. The Members, whose names appear in the Register of Members/List of Beneficial Owners as on Wednesday, 23rd December, 2020 being the cut-off date, are entitled to vote on the resolution set forth in the Notice. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

- c. The voting period begins on Sunday, 27th December, 2020 and ends on Tuesday, 29th December, 2020. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Wednesday, 23rd December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- d. The Board has appointed Mr. Raj Kumar Banthia, Company Secretary in Practice (Membership No. 17190 & CP No. 18428) Partner of M/S MKB Associates as the Scrutinizer to scrutinize the voting process (e-voting or otherwise) in a fair and transparent manner. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total vote in favour or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the result of remote e-voting and voting at the meeting venue shall be declared by the Chairman or by any other director duly authorized in this regard.
- e. The result, along with the scrutinizer's report, shall be placed on the company's website **www.bmwil.co.in** immediately after the result is declared, and simultaneously be communicated to the BSE and CSE where the shares of the Company are listed.
- f. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

**Instructions for shareholders to vote electronically:**

**• Log-in to the e-Voting website of [www.evotingindia.com](http://www.evotingindia.com)**

1. Click on "Login" tab, available under 'Shareholders' section.
2. Enter your User ID, password and image verification code (CAPTCHA) as shown and click on "SUBMIT".
3. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

- c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is the Event No. + Folio Number registered with the Company.

4. Your Password details are given below;

If you are using e-voting system of **www.evotingindia.com** for the first time or if you are holding shares in physical form, you need to follow the steps given below;

Click on "Sign Up" tab available under 'Shareholder' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

**For Shareholders holding shares in Demat form or Physical form**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number in the PAN Field.</li> </ul>
DOB/DOI	Enter the DOB(Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number(last four digits) as recorded in your demat account or in the company records for the same demat account or folio number. <ul style="list-style-type: none"> <li>• Please enter the DOB/DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio Number in the Bank Account number field as mentioned in instructions.</li> </ul>

If you are holding shares in demat form and had registered on to e-voting system of **www.evotingindia.com** and/or voted on an earlier voting of the company then you can use your existing password to login.

**If shareholders holding shares in Demat form or Physical form have forgotten the password:**

Enter User ID, select Mode and Enter Image Verification Code (CAPTCHA). Click on 'Login' under 'SHAREHOLDER' tab and further. Click 'forgot password?' Click on "SUBMIT".

In case a shareholder is having a valid email- address,

the Password will be sent to the Shareholder's registered email address. Else the shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of CDSL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

#### Cast your vote electronically

5. On the voting page, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain and the shares held will not be counted under 'Favour/Against'.

6. After submitting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

7. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

8. You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.

#### General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc) and Custodian are required to log on to e-Voting system of [www.evotingindia.com](http://www.evotingindia.com) and register themselves as '**Custodian/Mutual Funds/ Corporate Body**'.

They are also required to upload a scanned certified true copy of the Board Resolution /authority letter/power of attorney etc together with attested specimen signature

of the duly authorized representative(s) in PDF format in the '**Custodian/Mutual Fund/Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact 022-23058543 and 022-23058542

#### Instructions for Shareholders/Members to attend the Annual General Meeting through VC/OAVM:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through CDSL e-Voting system. Shareholders may access the same at <http://evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the meeting through Laptop/I Pads for better experience.
3. Further shareholders will be required to allow Camera and use internet with good speed to avoid any disturbance during the meeting.
4. Please note the participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Function in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from 19th December, 2020 to 25th December, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [info@bmwil.co.in](mailto:info@bmwil.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, e.mail id, mobile number at [info@bmwil.co.in](mailto:info@bmwil.co.in). These queries will be replied by the Company suitably by e.mail.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### Instructions for Shareholders/Members to vote during the Annual General Meeting:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through remote e-voting can cast the vote as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under "Favour/Against".
4. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
6. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
7. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### Notes for Non Individual Shareholders and Custodians:

- i) Non Individual shareholders (i.e other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- ii) A scanned copy of the Registration Form bearing stamp and sign of the entity should be emailed to helpdesk. [evotingindia.com](mailto:evotingindia.com).
- iii) After receiving the login details a Compliance user should be created using the admin login and password.

The Compliance user would be able to link the account(s) for which they wish to vote on.

- iv) The list of accounts linked in the login should be mailed to helpdesk [evoting@cdslindia.com](mailto:evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer at [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com) and to the Company at the e.mail address viz; [info@bmwil.co.in](mailto:info@bmwil.co.in) (designated e.mail address by Company), if they have voted from individuals tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

During the AGM, The Chairman shall formally proposed to the Members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the AGM, if already not voted through remote e.voting. Voting at AGM shall be kept open for a period of 30 minutes after the AGM ends.

Scrutinizer shall, after the 30 minutes of conclusion of the meeting will unblock the votes cast during the meeting and through remote e-voting in the presence of at least two witnesses not in employment of the Company and within a period not exceeding 48 hours from the conclusion of the Meeting make a consolidated Scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the Company or any other person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The result declared along with the Scrutinizer's report shall be placed on the Company's website [www.bmwil.co.in](http://www.bmwil.co.in). Further, immediately after the declaration of result by the Chairman or a person authorised by him in writing shall communicate to BSE Limited and The Calcutta Stock Exchange Limited.

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act)

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business set out in Item No 3 to 9 of the accompanying Notice dated 13th November, 2020.

### Item No. 3:

The Board of Directors of the Company, on the

recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Samar Dhar and Associates, Cost Accountants to conduct the audit of cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Your Board recommends Ordinary Resolution set out at Item No. 3 of the Notice for approval of shareholders.

#### Item No: 4 & 5

The members of the Company through e-voting dated 29th September, 2016 has approved by way of Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.700 Crores (Seven Hundred Crores).

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules there under.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as maybe determined by the Board of Directors/any of it's authorised Committee of the Company from time to time, in consultation with the lender(s).

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 as set out at Item No. 4 and Item No. 5 of the Notice, to enable the Board of Directors to borrow money upto Rs.1,000 Crores (Rupees One Thousand Crores) and inter alia, authorized the Board to secure its borrowings by mortgage/charge on any of the movable

and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

#### Item No. 6, 7, 8 and 9

The members of the Company had, at their meeting held on 27th September 2018 reappointed Mr. Ram Gopal Bansal (DIN: 00144159) as the Whole-time Director designated as the Chairman, Mr. Harsh Kumar Bansal (DIN: 00137014) as the Managing Director and Mr. Vivek Kumar Bansal (DIN: 00137120) as the Managing Director of the Company for a period of 5 years commencing from 12th May, 2018.

The members of the Company had, at their meeting held on 24th September 2019 appointed Mr. Subhash Chandra Gupta (DIN: 00056770) as the Whole-time Director for a period of 3 years commencing from 30th May 2019 to 29th May, 2022. However Mr Gupta resigned from the Board on 10th August, 2020.

The Company had been making consistent adequate profit for the last two Financial Years as per table below:

Particulars	Year ended 31st March, 2020 (Rs in Lakhs)	Year ended 31st March, 2019 (Rs in Lakhs)
Sales and operating income (net)	61,507.68	84,703.99
Profit before interest, depreciation & tax (incl. exceptional item)	12,223.47	16,583.01
Profit Before Tax	3,159.64	6,332.48
Profit After Tax	2,397.07	4,097.97

The Company not be able to earn sufficient profits in the Financial Year 2019-20 which may become inadequate for the purpose of managerial remuneration on in terms of Section 197 of the Companies Act, 2013.

In view of the above, the payment of the managerial remuneration to the respective managerial personnel for the period 2019-20 and 2020-21 and 2021-22 may fall within the purview of Section II of Part II of Schedule V of the Companies Act, 2013 (as amended).

Accordingly, the Board of Directors at its Meeting held on 10th July, 2020 felt it prudent to approach the Members of the Company seeking their approval by way of special resolutions to the remuneration payable to the aforesaid

managerial personnel for their remaining tenure in the event of loss or inadequacy of profits during the aforesaid financial years. This approval is also taken as an approval under Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

The details of remuneration of the aforesaid Managerial Personnel are given in Annexure-I. The information pursuant to Schedule-V of the Companies Act, 2013, as amended, are given in Annexure-II forming part of this Notice.

Details of Mr. Ram Gopal Bansal, Mr. Harsh Kumar Bansal, Mr. Vivek Kumar Bansal, Mr. Subhash Chandra Gupta are provided in Annexure-III" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Having regard to the above, the resolutions set out at item Nos. 6, 7, 8 and 9 have been proposed and recommended by the Board of Directors for your approval based on the recommendations of the Nomination & Remuneration Committee.

The company has not committed any default in payment of

dues to any bank or public financial institution or any other secured creditors before the date of appointment of such managerial person(s). The Company has not issued any Non-Convertible Debentures.

Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives:

Except Ram Gopal Bansal, Whole Time Director, Harsh Kumar Bansal, Managing Director and Vivek Kumar Bansal, Managing Director none of the (i) other Directors, (ii) Key Managerial Personnel, (iii) relatives of the persons mentioned in (i) and (ii) are concerned or interested, financial or otherwise in the proposed resolution.

**By order of the Board**

**(Vikram Kapur)**

*Company Secretary*

Place- Kolkata

Date- 13th November, 2020

Membership No. A9812

**Registered Office:**

119, Park Street, White House,

Kolkata – 700016

CIN: L51109WB1981PLC034212

Email: info@bmwil.co.in

## ANNEXURE-I

### I. MR. RAM GOPAL BANSAL AS WHOLE TIME DIRECTOR OF THE COMPANY ON THE REMUNERATION AND OTHER BENEFITS AS FURNISHED BELOW:

1. **Basic Salary:** Rs. 13,00,000/- per month with an annual increment to be decided by the Board of Directors on merit at its absolute discretion, which shall however be only so done so as not to exceed the maximum permissible limits of Managerial Remuneration under the Act, payable without the approval of the Central Government.
2. **Perquisites / Benefits:** In addition to the above salary, Mr. Ram Gopal Bansal shall also be entitled to the following perquisites / benefits:
  - a. Medical Reimbursement: Expenses incurred for himself and his family in accordance with the Rules of the Company.
  - b. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave/ holiday travel

- c. Club Membership: Reimbursement of membership fee including admission and annual membership fee for one club in India
- d. Provident Fund: Contribution to Provident Fund not exceeding 12% of salary or such percentage limit as may be prescribed by Income Tax legislation.
- e. Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- f. Provision for use of telephones at residence (including payment for local calls and long distance calls).

- g. Minimum Remuneration: In the case of inadequacy of profits in any financial year during the tenure of Mr. Ram Gopal Bansal, he shall be entitled to remuneration by way of salary along with perquisites, benefits and other allowances as mentioned above not exceeding such sum as may be prescribed under Section 197 read with Part II, Section II of Schedule V to the Act.
- h. Accommodation: Unfurnished Residential Accommodation.
- i. Provision of Company's Car with driver for use on Company's business. It will not be considered as benefits. He will be however billed by the Company for use of car for private purpose, if any.

**II, Mr. Harsh Kumar Bansal as Managing Director of the Company on the remuneration and other benefits as furnished below:**

- I) **Basic Salary:** Rs. 10,00,000/- per month with an annual increment to be decided by the Board of Directors on merit at its absolute discretion, which shall however be only so done so as not to exceed the maximum permissible limits of Managerial Remuneration under the Act, payable without the approval of the Central Government.
- II) **Perquisites / Benefits:** In addition to the above salary, Mr. Harsh Kumar Bansal shall also be entitled to the following perquisites / benefits:
  - a. Medical Reimbursement: Expenses incurred for himself and his family in accordance with the Rules of the Company.
  - b. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave/ holiday travel period, whenever undertaken, twice in a year, incurred in accordance with the Rules of the Company. In case Mr. Harsh Kumar Bansal does not go on leave travel the Company shall pay him the entire eligible amount by way of Leave Travel Allowance
  - c. Club Membership: Reimbursement of membership fee including admission and annual membership fee for one club in India
  - d. Provident Fund: Contribution to Provident Fund not exceeding 12% of salary or such percentage limit as may be prescribed by Income Tax legislation.

- e. Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- f. Provision for use of telephones at residence (including payment for local calls and long distance calls).
- g. Minimum Remuneration: In the case of inadequacy of profits in any financial year during the tenure of Mr. Harsh Kumar Bansal, he shall be entitled to remuneration by way of salary along with perquisites, benefits and other allowances as mentioned above not exceeding such sum as may be prescribed under Section 197 read with Part II, Section II of Schedule V to the Act.
- h. Accommodation: Unfurnished Residential Accommodation.
- i. Provision of Company's Car with driver for use on Company's business. It will not be considered as benefits. He will be however billed by the Company for use of car for private purpose, if any.

**III. Mr. Vivek Kumar Bansal as Managing Director of the Company on the remuneration and other benefits as furnished below:**

- I) **Basic Salary:** Rs. 10,00,000/- per month with an annual increment to be decided by the Board of Directors on merit at its absolute discretion, which shall however be only so done so as not to exceed the maximum permissible limits of Managerial Remuneration under the Act, payable without the approval of the Central Government.
- II) **Perquisites / Benefits:** In addition to the above salary, Mr. Vivek Kumar Bansal shall also be entitled to the following perquisites / benefits:
  - a. Medical Reimbursement: Expenses incurred for himself and his family in accordance with the Rules of the Company.
  - b. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave/ holiday travel period, whenever undertaken, twice in a year, incurred in accordance with the Rules of the Company. In case Mr. Vivek Kumar Bansal does not go on leave travel the Company shall pay him the entire eligible amount by way of Leave Travel Allowance

- c. Club Membership: Reimbursement of membership fee including admission and annual membership fee for one club in India
- d. Provident Fund: Contribution to Provident Fund not exceeding 12% of salary or such percentage limit as may be prescribed by Income Tax legislation.
- e. Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- f. Provision for use of telephones at residence (including payment for local calls and long distance calls).
- g. Minimum Remuneration: In the case of inadequacy of profits in any financial year during the tenure of Mr. Vivek Kumar Bansal, he shall be entitled to remuneration by way of salary along with perquisites, benefits and other allowances as mentioned above not exceeding such sum as may be prescribed under Section 197 read with Part II, Section II of Schedule V to the Act.
- h. Accommodation: Unfurnished Residential Accommodation.
- i. Provision of Company's Car with driver for use on Company's business. It will not be considered as benefits. He will be however billed by the Company for use of car for private purpose, if any.

**IV. Mr. Subhash Chandra Gupta (as Whole Time Director of the Company on the remuneration and other benefits as furnished below:**

- I) Basic Salary:** Rs. 1,00,000/- per month with an annual increment to be decided by the Board of Directors on merit at its absolute discretion, which

shall however be only so done so as not to exceed the maximum permissible limits of Managerial Remuneration under the Act, payable without the approval of the Central Government.

**II) Perquisites / Benefits:** In addition to the above salary, Mr. Subhash Chandra Gupta shall also be entitled to the following perquisites / benefits:

- a. Medical Reimbursement: Expenses incurred for himself and his family in accordance with the Rules of the Company.
- b. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave/ holiday travel period, whenever undertaken, twice in a year, incurred in accordance with the Rules of the Company.
- c. Club Membership: Reimbursement of membership fee including admission and annual membership fee for one club in India.
- d. Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- e. Provision for use of telephones at residence (including payment for local calls and long distance calls) and Company's car shall not be included in the computation of perquisites.
- f. Minimum Remuneration: In the case of inadequacy of profits in any financial year during the tenure of Mr. Subhash Chandra Gupta, he shall be entitled to remuneration by way of salary along with perquisites, benefits and other allowances as mentioned above not exceeding such sum as may be prescribed under Section 197 read with Part II, Section II of Schedule V to the Act.

**[Note- Mr Gupta resigned from the Board on 10th August, 2020]**

## ANNEXURE-II

### INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013.

**I. GENERAL INFORMATION**

**(1) Nature of Industry**

The Company is engaged in the manufacturing of Iron & Steel

**(2) Date or expected date of commencement of Commercial Production:**

Not Applicable

**(3) In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus:**

Not Applicable

(4) Financial Performance during last three financial periods:

Rupees in Lakhs

Particulars	2017-18	2018-19	2019-20
Sales and operating income	94468.44	82257.60	60069
Other income	1550.97	2446.39	1438.68
Profit before interest, depreciation and tax	16581.07	16583.01	12223.47
Profit before tax	7165.06	6332.48	3159.64
Profit after tax	5113.43	4097.97	2397.07

(5) Foreign investments or collaboration, if any :- NA

II. INFORMATION ABOUT THE APPOINTEE

Particulars	Mr. Ram Gopal Bansal	Mr. Harsh Kumar Bansal	Mr. Vivek Kumar Bansal	Mr. Subhash Chandra Gupta																																
1. Background Details																																				
-Education Qualification	Commerce Graduate	Commerce Graduate, advance courses from Harvard, ISB and LBS.	Commerce Graduate with valuable management knowledge having attended business class at Harvard University, USA	Commerce Graduate																																
Experience	Commercial and strategic functions of the Company	Commercial and strategic functions of the Company	Commercial and strategic functions of the Company	Commercial and strategic functions of the Company																																
2. Past remuneration for the Past three years	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount (Rs in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td>156.00</td> </tr> <tr> <td>2018-19</td> <td>156.00</td> </tr> <tr> <td>2019-20</td> <td>91.00</td> </tr> </tbody> </table>	Year	Amount (Rs in Lakhs)	2017-18	156.00	2018-19	156.00	2019-20	91.00	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount (Rs in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td>102.00</td> </tr> <tr> <td>2018-19</td> <td>120.00</td> </tr> <tr> <td>2019-20</td> <td>120.00</td> </tr> </tbody> </table>	Year	Amount (Rs in Lakhs)	2017-18	102.00	2018-19	120.00	2019-20	120.00	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount (Rs in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td>102.00</td> </tr> <tr> <td>2018-19</td> <td>120.00</td> </tr> <tr> <td>2019-20</td> <td>120.00</td> </tr> </tbody> </table>	Year	Amount (Rs in Lakhs)	2017-18	102.00	2018-19	120.00	2019-20	120.00	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount (Rs in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td>Nil</td> </tr> <tr> <td>2018-19</td> <td>Nil</td> </tr> <tr> <td>2019-20</td> <td>10.00</td> </tr> </tbody> </table>	Year	Amount (Rs in Lakhs)	2017-18	Nil	2018-19	Nil	2019-20	10.00
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Year	Amount (Rs in Lakhs)																																			
2017-18	Nil																																			
2018-19	Nil																																			
2019-20	10.00																																			
3. Recognition or awards	Nil	Nil	Nil	Nil																																
4. Job profile and his suitability	Chairman and Whole Time Director	Managing Director	Managing Director	Whole- Time Director																																
5. Remuneration Proposed	156.00 Lakhs	120.00 Lakhs	120.00 Lakhs	12.00 Lakhs Resigned on 10-08-2020																																
6. Comparative remuneration Profile with respect to Industry, size of the Company, Profile of the position and person	The remuneration offered is comparable to the peers in the industry who are of same size and the persons who are holding similar positions.																																			
7. Pecuniary relationship directly with the Company or relationship with the managerial personnel, if any:	Save as what is setout herein, Mr Ram Gopal Bansal is not entitled to remuneration from the Company under any other head. Mr Ram Gopal Bansal is father of Mr Harsh Kumar Bansal and Mr. Vivek Kumar Bansal, Managing Directors of the Company.	Save as what is setout herein, Mr Harsh Kumar Bansal is not entitled to remuneration from the Company under any other head. Mr. Harsh Kumar Bansal is son of Mr. Ram Gopal Bansal, Chairman of the Company and brother of Mr. Vivek Kumar Bansal, Managing Directors of the Company.	Save as what is setout herein, Mr Vivek Kumar Bansal is not entitled to remuneration from the Company under any other head. Mr. Vivek Kumar Bansal is son of Mr. Ram Gopal Bansal, Chairman of the Company and brother of Mr. Harsh Kumar Bansal, Managing Directors of the Company.	Save as what is setout herein, Mr Subhash Chandra Gupta is not entitled to remuneration from the Company under any other head.																																

## ANNEXURE-III

Details pursuant (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Particulars	Mr. Ram Gopal Bansal	Mr. Harsh Kumar Bansal	Mr. Vivek Kumar Bansal	Mr. Subhash Chandra Gupta
DIN	00144159	00137014	00137120	00056770
Date of Birth/Age	27th November, 1955 / 65 years	5th August, 1978/ 42 Years	12th November, 1979/ 41 Years	15th March, 1950 / 70 Years
Brief Resume/ Experience/ Expertise in specific functional area	Refer Annexure II	Refer Annexure II	Refer Annexure II	Refer Annexure II
Qualification	Refer Annexure II	Refer Annexure II	Refer Annexure II	Refer Annexure II
Date of first appointment on the Board	21st October, 1981	26th December, 2006	26th September, 2001	30th May, 2019
Terms and conditions of appointment or reappointment	As per explanatory statement	As per explanatory statement	In terms of Section 152(6) of the Companies Act, 2013, Mr. Vivek Kumar Bansal who is proposed to be re-appointed as Managing Director of the Company, is liable to retire by rotation and as per explanatory statement	As per explanatory statement
Remuneration last drawn	Refer Annexure II	Refer Annexure II	Refer Annexure II	Refer Annexure II
Details of emuneration sought to be paid.	Refer Annexure I	Refer Annexure I	Refer Annexure I	Refer Annexure I
Directorship in other Public Companies (31st March,2020)	<ol style="list-style-type: none"> <li>Bokaro Iron &amp; Steel Co Ltd.</li> <li>BMW Iron &amp; Steel Industries Ltd</li> <li>Sadhuram Bansal &amp; Sons Ltd</li> <li>SAIL Bansal Service Centre Limited</li> </ol>	<ol style="list-style-type: none"> <li>Bokaro Iron &amp; Steel Co. Ltd.</li> <li>BMW Iron &amp; Steel Industries Ltd.</li> <li>Sadhuram Bansal &amp; Sons Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Bokaro Iron &amp; Steel Co Ltd.</li> <li>BMW Iron &amp; Steel Industries Ltd</li> <li>Sadhuram Bansal &amp; Sons Ltd</li> <li>SAIL Bansal Service Centre Limited</li> </ol>	Na
Chairman/ Member of the Committee of Directors in the Company	<b>Chairman:-</b> Na <b>Member-</b> Finance Committee	<b>Chairman:-</b> Corporate Social Responsibility Committee <b>Member-</b> <ul style="list-style-type: none"> <li>Finance Committee</li> <li>Audit Committee</li> </ul>	<b>Chairman:-</b> Na <b>Member-</b> <ul style="list-style-type: none"> <li>Finance Committee</li> <li>Stakeholders Relationship Committee</li> </ul>	<b>Chairman:-</b> Na <b>Member-</b> Na
Chairman/ Member of the Committee of Directors in the Company	Nil	Nil	Nil	Nil
Shareholding in the Company	3,57,50,000	1,84,47,250	1,40,22,080	Nil
Inter-se Relationship between Directors/ KMP	Mr Ram Gopal Bansal is father of Mr Harsh Kumar Bansal and Mr. Vivek Kumar Bansal, Managing Directors of the Company	Mr. Harsh Kumar Bansal is son of Mr. Ram Gopal Bansal, Chairman of the Company and brother of Mr. Vivek Kumar Bansal, Managing Directors of the Company.	Mr. Vivek Kumar Bansal is son of Mr. Ram Gopal Bansal, Chairman of the Company and brother of Mr. Harsh Kumar Bansal, Managing Directors of the Company.	Not Related to any Director
No. of Board Meetings attended during the year (2019-20)	6	4	5	6



# corporate information

## 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. vikram kapur

## bankers

bank of baroda  
punjab national bank  
state bank of india  
bank of india

## statutory auditors

lodha & co.

## secretarial auditors

mkb & associates

## cost auditors

samar dhar and associates

## registered office

119 park street  
white house, 3rd floor  
kolkata 700 016  
website: [www.bmwil.co.in](http://www.bmwil.co.in)

## registrar and share transfer agent

abs consultants private limited  
stephen house, room 99  
6th floor, 4 b. b. d. bagh  
kolkata 700 001

## solicitors & advocates

l. p. agarwalla & co



**BMWIL**

**bmw industries ltd.**

address: 119 park street, white house, 3rd floor  
kolkata 700016, india

phone: (033) 4007 1704

fax: (033) 4007 1704

e-mail: [info@bmwil.co.in](mailto:info@bmwil.co.in)