

AUDITOR'S REPORT



The Members of,
M/s. BHUWALKA CASTINGS & FORGING PRIVATE LIMITED
BANGALORE.

We have audited the attached Balance Sheet of **BHUWALKA CASTINGS & FORGING PRIVATE LIMITED**, as at 31st March, 2005. No Profit and Loss Account of the Company is drawn for the period ended on that date, as the Company has not yet commenced its business. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books;
3. The Balance Sheet dealt with by this report are in agreement with the books of accounts;
4. In our opinion, the Balance Sheet comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the Directors and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as Directors in terms of Clause (g) of Sub Section (i) of Section 274 of the Companies Act, 1956.

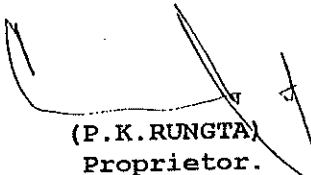
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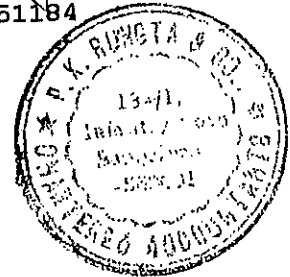
6. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in the case of Balance Sheet of the state of the affairs of the Company as at 31st March, 2005.

According to information and explanations furnished to us by the management. The companies (Auditor's Report) Order, 2003 issued by the Company Law Board, in terms of section 227 (4A) of the Companies Act 1956 is not applicable to the company at present.

P. K. RUNGTA & CO.,
CHARTERED ACCOUNTANTS


(P. K. RUNGTA)
Proprietor.
Membership No. 51184

PLACE: BANGALORE
DATE : 02/09/2005.



BHUWALKA CASTINGS FORGING PRIVATE LIMITED
BANGALORE

BALANCE SHEET AS AT 31st MARCH 2005

	A S S E T S	A M O U N T R S.
LIABILITIES	A S S E T S	A M O U N T R S.
SHARE CAPITAL	FIXED ASSETS:	
AUTHORIZED:	Vehicles	1,001,722.00
5,00,000 Equity Shares of Rs. 10 each	CURRENT ASSETS, LOANS & ADVANCES	
5,00,000.00	Cash & Bank Balances:	
ISSUED SUBSCRIBED & PAID UP	Cash in Hand	1,135.00
10,000 Equity Shares of Rs.10 each	Balances with Scheduled Banks	14,257.00
100,000.00	in Current Account	23,385.56
LOANS & ADVANCES:	Prepaid Expenses	
Secured Loan:		38,777.56
From:	MISCELLANEOUS EXPENDITURES:	
GE Capital transportation	(to the extent not written	
Financial Services Limited,	off or adjusted)	
Secured by Hypothecation of Vehicle	Preliminary Expenses	122,426.00
	Pre-Operative Expenses	2,385.00
Unsecured Loan:		
From Directors		124,811.00
CURRENT LIABILITIES:		
Other Liability		
Outstanding Liability		
Advance from Customer		
54,677.00		
<u>1,165,310.56</u>		<u>1,165,310.56</u>

The Schedule 'A' annexed herewith forms an Integral Part of the Balance Sheet.

As per our report of even date
For P.K. RUNGTA & COMPANY
CHARTERED ACCOUNTANTS



(Signature)
(KAMAL KUMAR BHUWALKA)
DIRECTOR

(Signature)
(SAJAN KUMAR BHUWALKA)
DIRECTOR

Place: BANGALORE
Dated: 02.09.2005.

BHUWALKA CASTINGS & FORGING PVT.LTD.,
BANGALORE

SCHEDULE A"

ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2005.

1. Estimated amount of contracts remaining to be executed on Capital accounts and not provided for NIL.
2. Additional information required under Part-II of Schedule VI of the Companies Act, 1956 is not applicable to the Company at present.
3. Since the Company has not started its business activities, no Profit and Loss Account is drawn for the year.

4. ACCOUNTING POLICIES:

i) General:

a) The Annual Accounts have been prepared on the historical cost basis and confirm to the statutory provisions of Companies Act, 1956, and the general accounting practices prevailing in the Country.

b) The accounts have been prepared on accrual basis.

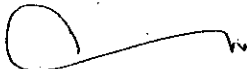
5. Details of Pre-Operative Expenses:

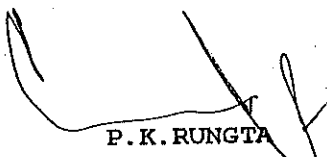
Audit Fees	1,102
Bank Charges	383
Printing & Stationery	900

	2,385
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As per our report of even date
P.K.RUNGTA & CO.,
CHARTERED ACCOUNTANTS,


SAJAN KUMAR BHUWALKA
DIRECTOR


KAMAL KUMAR BHUWALKA
DIRECTOR


P.K.RUNGTA
PROPRIETOR.
Membership No. 51187

Place : BANGALORE
Dated : 02/09/2005.

