

## Independent Auditor's Report

To the Members of M/s. BHUWALKA CASTINGS & FORGING PVT.LTD.,

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Bhuwalka Castings & Forging Pvt. Ltd., ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.

for HARIHARAN & ASSOCIATES

Chartered Accountants

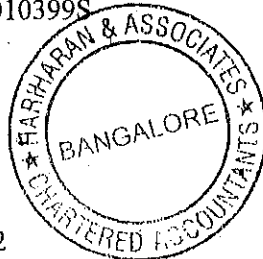
Firm's registration number: 010399S



M. HARIHARAN

Proprietor

Membership number: 022412



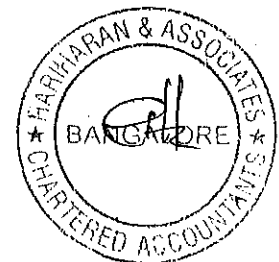
Bangalore

25 May 2015

## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, 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 regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, there is an **adequate internal control system** commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.



# HARIHARAN & ASSOCIATES

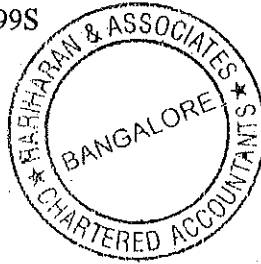
# 304 / B, HVS Court,  
21 Cunningham Road,  
Bangalore - 560 052.  
Ph : 41146152  
E-mail : hari304b@yahoo.com

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and the explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (x) The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- (xi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for HARIHARAN & ASSOICATES  
Chartered Accountants  
Firm's registration number: 010399S



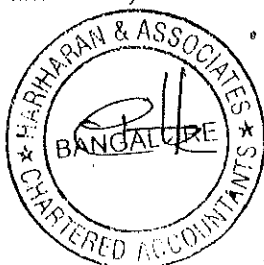
**M. HARIHARAN**  
Proprietor  
Membership number: 022412



Bangalore  
25 May 2015

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE AUDITOR'S TO THE MEMBERS OF M/S. BHUWALKA CASTINGS & FORGING PRIVATE LIMITED, BANGALORE, ON THE ACCOUNTS FOR THE YEAR 31ST MARCH, 2015.**

1. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Company has drawn up a programme of physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, Fixed Assets were physically verified by the Management during the year. No material discrepancies were noticed on such verification. No substantial part of the fixed assets has been disposed off during the year.
2. As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have, however, been confirmed by them. The procedures explained to us, which are followed by the management for physical verification of inventories, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business. No material discrepancies were noticed on physical verification and the company is maintaining proper records of its inventory.
3. As per the information and explanations furnished by the Management, the company has neither granted nor taken any loans to/from the companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. In our opinion, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The company has not accepted deposits from the public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act 1956 and the rules thereunder are not applicable to the company. The Company Law Board has not passed any order with regard to public deposits.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 in respect of the manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.



9. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Customs Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding at the year end for a period of more than six months from the date they became payable. Based on information and explanations given to us, the disputed Sales Tax/Excise Duty/Service Tax that have not been deposited on account of matters pending before appropriate authorities are as under :

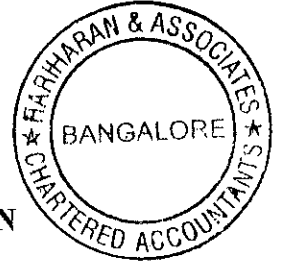
Sr. No	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount
1	Central Excise Act, 1944	Excise Duty & Service Tax	The Commissioner of Central Excise Appeal No. 21/2001.	16,42,078.00

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society and hence clause 4 (xiii) of Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. In our opinion, the Company is not a dealer or a trader in shares, securities, debentures and other investments.
15. The company has not given guarantees for loans taken by others from banks or financial institutions.
16. The term loans raised by the company were applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment by the company.



18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued debentures during the year.
20. The Company has not raised money through a public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For HARIHARAN & ASSOCIATES  
CHARTERED ACCOUNTANTS**



PLACE: BANGALORE  
DATE : 25/05/2015.

**M. HARIHARAN**  
**Proprietor**  
**Membership No. 22412.**  
**Firm Regn.No. 010399S.**

**M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED**

**Balance Sheet as at 31st March, 2015**

(Amount in Indian Rupee)

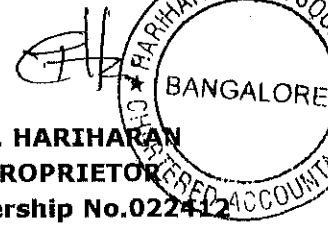
Particulars	Note No	AS AT	AS AT
		31-03-2015	31-03-2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	27,239,050	27,239,050
(b) Reserves and Surplus	2	53,034,262	42,676,265
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	23,581,505	116,526,826
(b) Deferred tax liabilities (Net)		19,492,124	17,334,799
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	4	97,711,735	78,016,923
(b) Trade payables	5	54,914,888	9,555,413
(c) Other current liabilities	6	93,125,830	22,154,162
(d) Short-term provisions	7	8,679,519	4,440,140
<b>Total</b>		<b>377,778,913</b>	<b>317,943,578</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	160,404,545	168,564,415
(ii) Capital work-in-progress		-	-
(b) Non-current investments	9	10,000	10,000
(c) Other non-current assets	10	63,715	104,931
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	11	128,962,577	95,554,199
(c) Trade receivables	12	52,986,852	24,832,141
(d) Cash and cash equivalents	13	1,990,756	1,470,772
(e) Short-term loans and advances	14	24,044,629	18,141,281
(f) Other current assets	15	9,315,839	9,265,839
<b>Total</b>		<b>377,778,913</b>	<b>317,943,578</b>

For BHUWALKA CASTINGS & FORGING PVT LTD

S. K.   
SAJAN KUMAR BHUWALKA  
DIRECTOR

K. K.   
KAMAL KUMAR BHUWALKA  
DIRECTOR

As per our report of even date,  
for HARIHARAN & ASSOCIATES,  
CHARTERED ACCOUNTANTS, ASSOCIATES



M. HARIHARAN  
PROPRIETOR

Membership No. 022412  
Firm Regn. No. 010399S

PLACE : BANGALORE  
DATE : 25/05/2015



**M/S. BHUWALKA CASTINGS & FORGING PRIVATE LIMITED**

**Profit and Loss Statement for the year endd 31st March, 2015**

( Amount in Indian Rupee)

Particulars	Note No	For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
<b>I. Revenue from operations</b>	16	<b>1,070,478,562</b>	1,028,411,802
II. Other Income	17	<b>924,630</b>	3,789,160
<b>III. Total Revenue (I +II)</b>		<b>1,071,403,192</b>	<b>1,032,200,962</b>
<b><u>IV. Expenses:</u></b>			
Cost of materials consumed	18	<b>61,377,748</b>	51,540,061
Purchase of Stock-in-Trade	19	<b>825,824,245</b>	806,660,303
Changes In inventories of finished goods, work-in-progress and Stock-in-Trade	20	<b>6,821,231</b>	11,965,704
Employee benefit expense	21	<b>8,446,617</b>	8,740,190
Financial costs	22	<b>13,875,749</b>	14,967,012
Depreciation and amortization expense	8	<b>10,809,862</b>	10,645,172
Central Excise Duty	23	<b>21,735,826</b>	18,531,236
Manufacturing Expenses	24	<b>95,749,649</b>	85,922,943
Other expenses	25	<b>9,893,059</b>	11,044,556
Service Tax Paid		<b>107,885</b>	-
Preliminary Expenses written off		<b>41,215</b>	41,215
<b>Total Expenses</b>		<b>1,054,683,086</b>	<b>1,020,058,391</b>
<b>V. Profit before exceptional and extraordinary items and tax</b>	(III - IV)	<b>16,720,106</b>	12,142,571
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		<b>16,720,106</b>	12,142,571
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<b>16,720,106</b>	<b>12,142,571</b>
X. Tax expense:			
(1) Current tax		<b>4,204,784</b>	2,313,767
(2) Deferred tax		<b>2,157,325</b>	1,890,054
XI. Profit for the year from continuing operations	(VII-VIII)	<b>10,357,997</b>	<b>7,938,750</b>
<b>XII. Profit for the year (XI + XIV)</b>		<b>10,357,997</b>	<b>7,938,750</b>
XIII. Earning per equity share:			
(1) Basic		<b>3.80</b>	<b>2.91</b>

For **BHUWALKA CASTINGS & FORGING PVT LTD**

  
**SAJAN KUMAR BHUWALKA**  
DIRECTOR

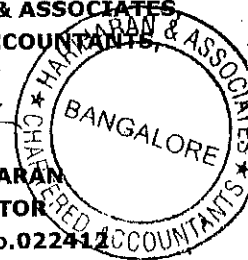
  
**KAMAL KUMAR BHUWALKA**  
DIRECTOR

**PLACE : BANGALORE**  
**DATE : 25/05/2015**

As per our report of even date,  
for **HARIHARAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS,

  
**M. HARIHARAN**  
PROPRIETOR

Membership No. 022412  
Firm Regn. No. 010399S

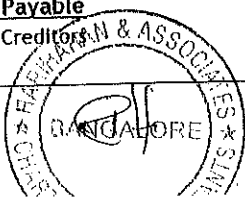


M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to the Financial Statement

(Amount in Indian Rupee)

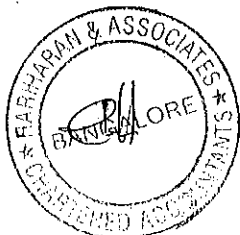
		AS AT 31-03-2015		AS AT 31-03-2014	
Note 1	<b>SHARE CAPITAL</b>				
	<u>Authorised</u> 50,00,000 Equity Shares of Rs.10 each	50,000,000		50,000,000	
	<u>Issued</u> 27,23,905 Equity Shares of Rs.10 each	27,239,050		27,239,050	
	<u>Subscribed and Paid up</u> 27,23,905 Equity Shares of Rs.10 each	27,239,050		27,239,050	
	<b>Total</b>	27,239,050		27,239,050	
Note 1(a)	<b>Name of Shareholder</b>	<b>As at 31 March 2015</b>		<b>As at 31 March 2014</b>	
		<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
	Mr.Kamal kumar Bhuwalka	2228905	81.83	2228905	81.83
	Mrs. Anjali Bhuwalka	140000	5.14	140000	5.14
	Mrs. Kanta Bhuwalka	200100	7.35	200100	7.35
	Mr. Sushil Kumar Bhuwalka	90100	3.31	90100	3.31
	Mr. Kishan Kumar Bhuwalka	62300	2.28	62300	2.28
	Mr.Sajan kumar Bhuwalka	2500	0.09	2500	0.09
Note 2	<b>Reserves and Surplus</b>				
	<u>a. Reserve</u>				
	Opening balance	42,676,265		34,737,515	
	Net Profit For the current year	10,357,997		7,938,750	
	Closing Balance	53,034,262		42,676,265	
	<b>Total</b>	53,034,262		42,676,265	
Note 3	<b>Long Term Borrowings</b>				
	<u>Secured</u> Kotak Mahindra Bank Ltd., (Secured by hypothecation of Primary Security First and exclusive charge on all existing and future Current Assets/moveable Fixed Assets.Collateral Security Plot No as Land & Building,Plot No.16B,17B,18,19 and 20 situated at Tamka Industrial Area,Kolar. Personal Gurantee of Directors)	23,581,505		31,526,826	
	<u>Unsecured Loan</u> From Companies			85,000,000	
		23,581,505		116,526,826	
Note 4	<b>Short Term Borrowing</b>				
	<u>Secured</u> (a) Loans repayable on demand Kotak Mahindra Bank Ltd., (Secured by hypothecation of Primary Security First and exclusive charge on all existing and future Current Assets/moveable Fixed Assets.Collateral Security Plot No as Land & Building,Plot No.16B,17B,18,19 and 20 situated at Tamka Industrial Area,Kolar. Personal Gurantee of Directors)	97,711,735		78,016,923	
	<b>Total</b>	97,711,735		78,016,923	
Note-5	<b>Trade Payable</b>				
	Sundry Creditors	54,914,888		9,555,413	
		54,914,888		9,555,413	



## Notes to the Financial Statement

(Amount in Indian Rupee)

		AS AT 31-03-2015	AS AT 31-03-2014
<b>Note 6</b>	<b>Other Current Liabilities</b>		
	Out Standing Liabilities	5,831,431	4,932,062
	Statutory Liabilities	25,905	43,631
	Advance From Customers	87,268,494	17,178,469
	<b>Total</b>	<b>93,125,830</b>	<b>22,154,162</b>
<b>Note 7</b>	<b>Short Term Provision</b>		
	(a) Provision for employee benefits		
	Gratuity (Funded)	768,336	697,796
	Leave Encashment (Funded)	274,328	310,273
		1,042,664	1,008,069
	(b) Others -Taxation	7,636,855	3,432,071
	<b>Total</b>	<b>8,679,519</b>	<b>4,440,140</b>
<b>Note-9</b>	<b>Non Current Investments</b>		
	Investments in Government or securities-NSC	10,000	10,000
<b>Note 10</b>	<b>Other non- current assets</b>		
	<b>Preliminary Expenses</b>		
	Opening Balance	104,931	146,146
	Less: Written off during the year	41,216	41,215
	Closing Balance.	63,715	104,931
<b>Note 11</b>	<b>Inventories</b>		
	a. Raw Materials and components (Valued at Cost)	69,179,562	36,332,953
	b. Finished goods (Valued at Cost) - Castings	21,102,379	10,324,558
	c. Finished goods (Valued at Cost) - Castings Moulds	-	16,306,224
	d. Finished goods (Valued at Cost) - Rolls	9,741,052	11,033,880
	e. Stock-in-trade (Valued at Cost)	18,501,610	1,333,814
	f. Stores and spares (Valued at Cost)	10,437,974	20,222,770
	<b>Total</b>	<b>128,962,577</b>	<b>95,554,199</b>
<b>Note 12</b>	<b>Trade Receivable</b>		
	(Unsecured and Considered Good)		
	Over Six Months	7,447,363	3,575,765
	Other	45,539,489	21,256,376
	<b>Total</b>	<b>52,986,852</b>	<b>24,832,141</b>
<b>Note 13</b>	<b>Cash and Cash Equivelents</b>		
	Cash in Hand	1,109,635	873,392
	Cash at Bank	881,121	597,380
	<b>Total</b>	<b>1,990,756</b>	<b>1,470,772</b>
<b>Note14</b>	<b>Short Term Loans and Advances</b>		
	Advance to Suppliers and Others	24,044,629	18,141,281
		24,044,629	18,141,281
<b>Note 15</b>	<b>Other current assets</b>		
	Deposit and EMD	9,316,839	9,266,839



S. C.

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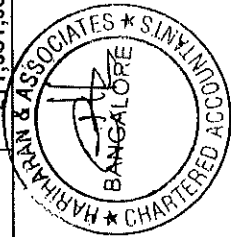
**BHUWALKA CASTINGS & FORGING PRIVATE LIMITED**

**FIXED ASSETS AS AT 31.03.2015**

(Amount in Indian Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 01.04.2014	ADDITIONS DURING THE YEAR	SALES/ADJ DURING THE YEAR	TOTAL AS ON 31.03.2015	AS ON 01.04.2014	DEPRECIATION FOR THE YEAR	TOTAL AS ON 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
Land	10,864,748.00	-	-	10,864,748.00	-	-	-	10,864,748.00	10,864,748.00
Building	26,909,627.57	379,752.50	-	27,289,380.07	3,464,167.04	909,034.14	4,373,201.18	22,916,178.89	23,445,460.53
Water Installations	49,231.00	-	-	49,231.00	10,098.39	1,644.32	11,742.71	37,488.29	39,132.61
Plant & Machinery	168,886,218.12	1,493,664.00	-	170,379,882.12	40,697,418.87	8,935,785.61	49,633,204.48	120,746,677.64	128,188,799.25
Electrical Installation	2,865,592.19	-	-	2,865,592.19	1,049,201.50	151,303.27	1,200,504.77	1,665,087.42	1,816,390.69
Weighing Scale	447,800.00	-	-	447,800.00	177,620.30	23,643.84	201,264.14	246,535.86	270,179.70
Furniture & Fixtures	569,425.00	-	-	569,425.00	144,866.08	36,044.61	180,910.69	388,514.31	424,558.92
Office Equipments	1,022,632.00	-	-	1,022,632.00	279,907.22	53,994.96	333,902.18	688,729.82	742,724.78
Computers	4,561,353.50	-	-	4,561,353.50	1,928,491.53	633,544.09	2,562,035.62	1,999,317.88	2,632,861.97
Vehicles - Trucks	129,535.96	-	-	129,535.96	110,019.35	13,039.78	123,059.13	6,476.83	19,516.61
Vehicles - Car	-	776,575.00	-	776,575.00	-	36,786.25	36,786.25	739,788.75	-
Laboratory Equipments	212,744.00	-	-	212,744.00	92,701.69	15,041.00	107,742.69	105,001.31	120,042.31
<b>TOTAL</b>	<b>216,518,907.34</b>	<b>2,649,991.50</b>	<b>-</b>	<b>219,168,898.84</b>	<b>47,954,491.97</b>	<b>10,809,861.87</b>	<b>58,764,353.84</b>	<b>160,404,545.00</b>	<b>168,564,415.37</b>
Previous Year	211,651,685.34	4,867,222.00	-	216,518,907.34	37,309,320.44	10,645,171.53	47,954,491.97	168,564,415.37	174,342,364.90

NOTE: 8



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M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to the Financial Statement

(Amount in Indian Rupee)

		For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
<b>Note 16</b>	<b>Revenue from Operation</b>		
	Sale of finished goods	1,049,677,573	1,007,209,945
	Sale of Stores Scrap and Others	800,989	1,401,857
	Other Item	20,000,000	19,800,000
	<b>Total</b>	<b>1,070,478,562</b>	<b>1,028,411,802</b>
<b>Note 17</b>	<b>Other Income</b>		
	Loading Charges received	40,920	62,359
	Interest Received	601,495	766,254
	Miscellaneous Receipts	194,296	2,635,014
	Sundry Balances Written back	2,899	325,472
	Provision no longer required	5,020	62
	<b>Total</b>	<b>924,630</b>	<b>3,789,160</b>
<b>Note 18</b>	<b>Raw Materials consumed</b>		
	Opening Stock	36,332,953	31,165,982
	Add: Purchases and Freight	94,224,367	57,103,832
		130,557,310	88,269,814
	Less: Sales	-	(396,800)
	Less: Closing Stock	(69,179,562)	(36,332,953)
		61,377,748	51,640,061
<b>Note 19</b>	<b>Purchase of Stock in Trade</b>		
	Finished Goods	826,824,245	806,660,303
<b>Note 20</b>	<b>Change in inventories of finished goods</b>		
	<b>Closing Stock</b>		
	Finished Goods-Castings	21,102,379	10,324,558
	Finished Goods-Castings Moulds	-	16,306,224
	Finished Goods-Rolled Products	9,741,052	11,033,880
		30,843,431	37,664,662
	<b>Opening Stock</b>		
	Finished Goods-Castings	10,324,558	49,630,366
	Finished Goods-Castings Moulds	16,306,224	-
	Finished Goods-Rolled Products	11,033,880	-
		37,664,662	49,630,366
	<b>Changes in inventories of Finished goods</b>	<b>6,021,231</b>	<b>11,965,704</b>
<b>Note 21</b>	<b>Employee benefit expenses</b>		
	Salary and Wages	7,094,208	8,287,393
	Employers Contribution to P.F,E.S.I and Other Funds	552,409	452,797
	<b>Total</b>	<b>8,446,617</b>	<b>8,740,190</b>



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M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to the Financial Statement

(Amount in Indian Rupee)

		For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
<b>Note 22</b>	<b>Financial costs</b>		
	Interest on Term Loan	3,648,024	5,183,159
	Interest on Working Capital	10,217,098	9,652,909
	Interest on Others	10,627	130,944
	<b>Total</b>	<b>13,875,749</b>	<b>14,967,012</b>
<b>Note 23</b>	<b>Central Excise Duty</b>	<b>21,735,826</b>	<b>10,531,236</b>
<b>Note 24</b>	<b>Manufacturing Expenses</b>		
	Stores and Spares Consumed	55,663,121	48,548,505
	Production charges	7,190,560	7,625,340
	Power and Fuels	30,367,669	28,231,252
	Repairs and Maintenance -Plant& Machinery	172,300	162,100
	Repairs and Maintenance -Vehicle	293,516	154,589
	Repairs and Maintenance -Others	2,059,603	1,201,157
	Repairs and Maintenance-Building	2,880	-
	<b>Total</b>	<b>95,749,649</b>	<b>85,922,943</b>
<b>Note 25</b>	<b>Other Expenses</b>		
	Security charges	2,707,808	2,295,741
	Staff Welfare	116,993	214,550
	Rates and Taxes	240,582	728,626
	Rent	484,223	452,171
	Insurance	211,302	194,098
	Printing and Stationery	102,345	107,196
	Travelling and Conveyance	626,747	800,639
	Postage, Telegram and Telephones	142,260	111,367
	Professional and Consultancy Charges	1,187,129	998,459
	Miscellaneous Expenses	2,889,906	2,868,320
	Audit Fee	100,000	100,000
	Sundry Balance Written off	146,551	1,184,818
	Bank charges	536,134	571,360
	<b>Selling Expenses</b>		
	Carriage Outwards	345,598	369,592
	Other Selling Expenses	55,401	47,620
	<b>Total</b>	<b>9,893,059</b>	<b>11,044,556</b>



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**NOTE "25" ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE  
YEAR ENDED 31ST MARCH, 2015.**

01. Estimated amount of Contracts remaining to be executed on Capital Accounts (net of Advances) not provided for **Rs. NIL**.
02. Contingent Liabilities not provided for:  
Statutory Liabilities disputed by the company : **Rs. 16.42 Lakhs (16.42)**
03. Certain balances under the heads Debtors, Creditors, Advances from Customers, Advances and Deposits are subject to confirmation.
04. Brief particulars of employees who were entitled to receive or were in receipt of emoluments in aggregate to Rs.60,00,000/- or more per annum and/or Rs.5,00,000/- or more per month for a part of the year - NIL.

**05. ACCOUNTING POLICIES:**

**i) General:**

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (accounts) Rules, 2014.
- b) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**ii) Investments :**

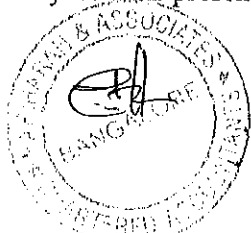
Long Term Investments are valued at Cost.

**iii) Fixed Assets :**

- a) Fixed Assets are stated at their historical cost of acquisition or construction less accumulated depreciation. Cost includes all cost incurred to bring the asset to their present location and condition.
- b) Depreciation on fixed assets has been provided on straight line method over the useful lives of the assets.  
Depreciation on the additions made during the year has been provided proportionately for the period of use.

**iv) Valuation of Inventories:**

Raw Materials, Finished Goods and Stores & Spares are valued at lower of cost or net realisable value except M.S. Scrap which are valued at net realisable value, in accordance with Accounting Standard 2 – valuation of inventories. The cost formula used for this purpose is Annual Average method and includes direct cost incurred in bringing the items of inventory to their present location and condition.



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Contd.....2

v) **Books Debts & Advances :**

Write-off/provision for bad and/or doubtful and Irrecoverable Book Debts and Advances have been made during the year.

vi) **Revenue Recognition:**

The company recognises sale of goods as they are dispatched to customers and any significant uncertainty as to its ultimate realisation or collection does not exist. Sales comprise amounts invoiced for goods sold inclusive of excise duty but net of sales tax, returns and trade discounts.

vii) **Foreign Currency Transaction:**

In case of sale made to clients outside India, income is accounted on the basis of previous month end exchange rate. Adjustments are made for any changes in the sale proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred on actual basis.

viii) **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets in accordance with Accounting Standard 16 on Borrowing Costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

ix) **Retirement benefits:**

In accordance with Accounting Standard 15 - "Accounting for Retirement Benefits in the financial statements of employers", the Company has made provisions for gratuity and leave encashment on accrual basis during the year. The gratuity liability as on 31.03.2015 has been provided based on the assumption that such benefits are payable to all eligible employees at the end of the accounting year. Provision for leave encashment benefits has been made based on current salary for the entire unavailed leave balance as at the balance sheet date.

Retirement benefits in the form of Provident Fund and Pension Schemes in line with respective statutes and regulations in force is accounted on accrual basis and charged to Profit & Loss Account of the year.

x) **Income Taxes:**

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.

xi) **Cash Flow Statement :**

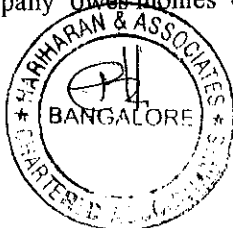
The cash flow statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements.

xii) **Profit & Loss Account:**

Profit & Loss on sale of Raw-Material and excess/shortage on Physical Verification remain adjusted in the respective consumption accounts.

07. Sundry Creditors under Current Liabilities in Schedule '11' include Rs. NIL due to Small Scale undertakings. This amount has been determined to the extent such parties have been identified from available information. The names of the small scale industrial undertakings to whom the company owes monies outstanding for more than 30 days :

Contd.....3





08. The operations of the Company relate to only one segment viz. Steel. Hence, segment reporting in terms of Accounting Standard 17 is considered not applicable.

09. Related Parties disclosures:  
(In terms of Accounting Standard - 18)

A. Relationships:

a) Related parties where control exists:

- i) Bhuwalka & Sons Pvt.Ltd.,
- ii) Bhuwalka Associates
- iii) Vishwakarma International Pvt. Ltd.
- iv) Vishwakarma Refractories Pvt. Ltd.

Key Management Personnel - Whole time Directors

- i) Sri Sajan Kumar Bhuwalka
- ii) Sri Kamal Kumar Bhuwalka

B. Transactions carried out with related parties referred above in ordinary course of business

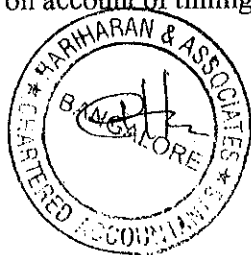
Rs. Lakhs

Nature of Transactions	Key Management Personnel	Related Parties
Purchases	---	162.76
Sales	---	7103.35
Expenses	6.00	34.71
Income	---	---
Outstandings – Debit – Credit	---	46.86

10. Accounting Standard 19 – Leases:

Accounting Standard 19 is applicable only in the case of lease transactions entered into on or after 1<sup>st</sup> April, 2001. The Company has taken other premises Cancelable operating lease agreement after 1<sup>st</sup> April, 2001. The company intends to renew the agreements in the normal course of its business. These properties can not be subleased to any other person. Total lease rentals recognised in the Profit & Loss Account for the year with respect to the above is Rs. 4,84,223/-.

11. In accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the Company has during the year provided deferred tax liability amounting to Rs. 21,57,325/- on account of timing difference.



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12. Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India requires that the closing stock of finished goods should also include excise duty element and a provision for the liability to be made as the duty liability accrued on manufacture. However, inventory is valued at net of excise duty and provision for excise duty liability is thereby not considered necessary as there is no impact on profit and loss account.
13. Basic earnings per share has been calculated by dividing profit for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year. The company has not issued any preferential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Earnings per share has been computed as under:

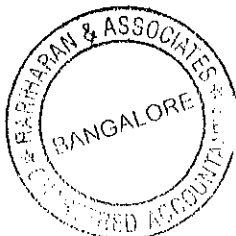
Particulars	Period Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Profit after Taxation	1,03,57,997.00	79,38,750.00
Profit attributable to Equity Share holders	1,03,57,997.00	79,38,750.00
Weighted average number of shares	27,23,905.00	27,23,905.00
Earnings per share (Rs.per equity share of Rs.10/- each) Basic and Diluted	3.80	2.91

14. The company has identified that there is no material impairment of assets and as such no provision is required as per AS-28 issued by the ICAI.
15. Contingent Liabilities and Contingent Assets as per AS-29 in the opinion of the management no provision is required against contingent liabilities referred in Para 2 of Note-26.
16. **QUANTITATIVE DETAILS : (As certified by management)**

a) Raw Materials:	Quantity in M.T.	Value-Rs.
(i) Opening Stock	1117.937 (1087.059)	3,63,32,953 (3,11,65,982)
(ii) Purchases	4399.626 (3606.301)	9,42,24,357 (5,71,03,882)
(iii) Consumption	3445.388 (3563.023)	---
(iv) Sales	NIL (12.400)	NIL (3,96,800)
(v) Closing Stock	2072.175 (1117.937)	6,91,79,562 (3,63,32,953)

**NOTE:** Purchases includes 45.384 MTs (1063.781 MTs) of Self Generation rejected Castings.

\* Consumption is inclusive of utilized for conversion materials quantity NIL (NIL MTs.)



S. R. BHARADWAJ

**FINISHED GOODS:**

<b><u>(CASTINGS/ROLLED PRODUCTS):</u></b>	<b><u>Qty.in MTs</u></b>	<b><u>Value</u></b>
1) Opening Stock	380.168 (560.182)	3,76,64,662 (4,96,30,366)
2) Purchases during the year	20621.980 (19504.690)	82,58,24,245 (80,66,60,303)
3) Production during the year	2332.636 (2361.979)	-- --
4) Sales during the year	22704.642 (22046.683)	1,04,96,77,573 (1,00,72,09,945)
5) Closing Stock	630.142 (380.142)	3,08,43,431 (3,76,64,662)

**EARNINGS IN FOREIGN CURRENCY** – Export - F.O.B.Value of Exports Rs. 53,77,534.00  
(68,47,143.00)

**EXPENDITURE IN FOREIGN CURRENCY:**

CIF Value of Imports - Rs. 9,21,746/- (8,72,678/-)

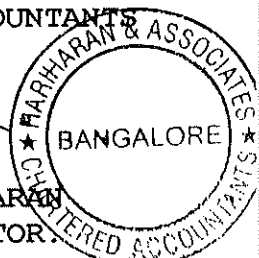
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As per our report of even date  
For BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

For HARIHARAN & ASSOCIATES,  
CHARTERED ACCOUNTANTS

*Sue*  
SAJAN KUMAR BHUWALKA  
DIRECTOR

*[Signature]*  
KAMAL KUMAR BHUWALKA  
DIRECTOR

*[Signature]*  
M. HARIHARAN  
PROPRIETOR.  
Membership No. 22412.  
Firm Regn.No. 010399S



PLACE : BANGALORE.  
DATE : 25/05/2015.

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH'2015.</b>			
<b>( AS per Indirect Method of Accounting Standard - 3 )</b>			
		<b>Amount in Indian Rupees.</b>	
		<b>RS</b>	<b>RS</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit before Tax And Extraordinary items		<b>16,720,106</b>
	<b>Adjustments for :</b>		
	Deferred Revenue Expenses written-off	41,215	
	Depreciation	10,809,862	
	(Profit)/Loss from sales of Fixed Assets	-	
	Interest charged to Profit & Loss A/c	13,875,749	
	Preliminary Expenses	-	
	Interest Received	(681,495)	
	Dividend Income	-	
	<b>OPERATING CASH PROFIT BEFORE WORKING CAPITAL CHANGES.</b>		<b>24,045,331</b>
	<b>Adjustments for :</b>		<b>40,765,437</b>
	Trade and other Receivables	(34,108,059)	
	Inventories	(33,408,378)	
	Trade Payables and other Liabilities	120,570,523	
	<b>CASH INFLOW FROM OPERATIONS</b>	<b>53,054,086</b>	
	Direct Taxes Paid/ (Refund)	(4,204,784)	48,849,302
	<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>89,614,739</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Increase in Fixed Assets(Net)	(2,649,992)	
	Interest Received	681,495	
	Increase Capital	-	
	Dividend Income	-	(1,968,497)
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Increase/(Decrease) in Long Term Borrowings	(73,250,509)	
	Interest	(13,875,749)	
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(87,126,258)</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>519,984</b>
	Opening Balance of Cash and Cash Equivalents		1,470,772
	Closing Balance of Cash and Cash Equivalents		1,990,756
			<b>(519,984)</b>

As per report of even date  
for **HARIHARAN ASSOCIATES**  
CHARTERED ACCOUNTANTS

  
**SAJAN KUMAR BHUWALKA**  
DIRECTOR

  
**KAMAL KUMAR BHUWALKA**  
DIRECTOR

  
**(M.HARIHARAN)**  
PROPRIETOR  
Membership No-22412.  
Firm Regn. No. 010399S

PLACE : BANGALORE.  
DATE : 25/05/2015.