

HARIHARAN & ASSOCIATES

CHARTERED ACCOUNTANTS

#304 / B, H V S Court,
21, Cunningham Road,
Bangalore - 560 052.
Ph : 080 41146152
E-mail : hari304b@yahoo.com

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 2018**, 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. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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.

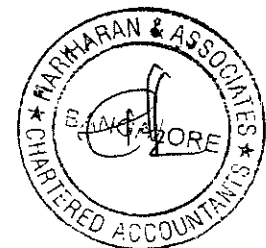


Opinion

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 2018** 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, 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 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 2018** taken on record by the Board of Directors, none of the directors is disqualified as on **31 March 2018** from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the other adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A and



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(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, 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 & ASSOICATES**

Chartered Accountants

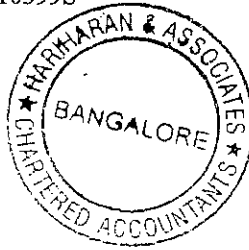
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M. HARIHARAN

Proprietor

Membership number: 022412



Bangalore

Date: 16th May, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the Members of M/s. Bhuwalka Castings & Forging Pvt. Ltd., on the standalone financial statements for the year ended 31st March 2018.

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Act

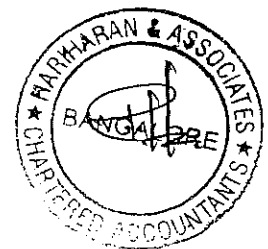
1. We have audited the internal financial controls over financial reporting of **M/s. Bhuwalka Castings & Forging Pvt. Ltd., as of 31st March 2018** in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

Management's responsibility for internal financial controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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

3. 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 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 systems over financial reporting.



Meaning of internal financial controls over financial reporting.

6. The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that
- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (ii) 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 authorizations of Management and directors of the Company; and
 - (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

8. In our opinion, the Company has in all materials respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2018**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

for **HARIHARAN & ASSOICATES**

Chartered Accountants

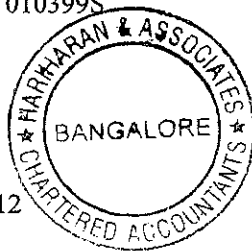
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M. HARIHARAN

Proprietor

Membership number: 022412



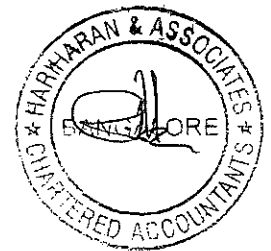
Bangalore

Date: 16th May, 2018

Annexure B 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 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The 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) The Company has not accepted any deposits from the public.
- (v) 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.
- (vi) (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.



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- (vii) 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.
- (viii) 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.
- (ix) 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.**
- (x) 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

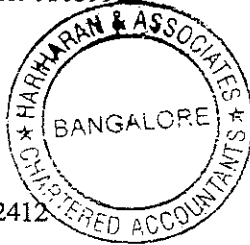
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M. HARIHARAN

Proprietor

Membership number: 022412



Bangalore

Date: 16th May, 2018

M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Balance Sheet as at 31st March, 2018

(Amount in Indian Rupee)

Particulars	Note No	AS AT	AS AT
		31-03-2018	31-03-2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	27,239,050	27,239,050
(b) Reserves and Surplus	2	321,756,028	317,129,123
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	48,322,643	12,359,572
(b) Deferred tax liabilities (Net)		20,609,863	19,369,628
(3) Unsecured Loans			
	3A	20,870,000	-
(4) Current Liabilities			
(a) Short-term borrowings	4	63,699,447	117,529,295
(b) Trade payables	5	59,396,177	52,121,950
(c) Other current liabilities	6	50,978,812	63,521,349
(d) Short-term provisions	7	7,611,235	10,575,552
Total		620,483,255	619,845,519
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	396,166,856	404,803,471
(b) Non-current investments	9	10,000	10,000
(c) Other non-current assets	10	-	-
(2) Current assets			
(a) Current investments			
(b) Inventories	11	93,669,766	111,053,427
(c) Trade receivables	12	63,503,299	41,576,456
(d) Cash and cash equivalents	13	2,281,278	6,629,060
(e) Short-term loans and advances	14	55,470,218	46,391,266
(f) Other current assets	15	9,381,839	9,381,839
Total		620,483,255	619,845,519

For BHUWALKA CASTINGS & FORGING PVT LTD

S. K.
SAJAN KUMAR BHUWALKA
DIRECTOR

K. K.
KAMAL KUMAR BHUWALKA
DIRECTOR

PLACE : BANGALORE
DATE : 16/05/2018

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

M. Hariharan
M. HARIHARAN
PROPRIETOR

Membership No.022412
Firm Regn.No.0103995

M/S. BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

Profit and Loss for the year ended 31st March, 2018

(Amount in Indian Rupee)

Particulars	Note No	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
I. Revenue from operations	16	767,656,901	880,858,902
II. Other Income	17	1,311,669	1,108,524
III. Total Revenue (I +II)		768,968,570	881,967,426
IV. Expenses:			
Cost of materials consumed	18	81,961,127	42,494,841
Purchase of Stock-in-Trade	19	493,085,891	662,281,902
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	7,422,021	13,513,122
Employee benefit expense	21	9,776,566	8,892,125
Financial costs	22	14,195,903	15,297,328
Depreciation and amortization expense	8	11,457,002	11,382,308
Central Excise Duty	23	5,127,213	22,536,838
Manufacturing Expenses	24	119,796,138	86,889,534
Other expenses	25	16,889,824	12,932,222
Service Tax Paid		48,001	7,506
Total Expenses		759,759,686	876,227,725
V. Profit before exceptional and extraordinary items and tax	(III - IV)	9,208,884	5,739,701
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		9,208,884	5,739,701
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		9,208,884	5,739,701
X. Tax expense: (1) Current tax (2) Deferred tax		3,341,744 1,240,235	1,560,815 45,343
XI. Profit for the year from continuing operations	(VII-VIII)	4,626,905	4,133,543
XII. Profit for the year (XI + XIV)		4,626,905	4,133,543
XIII. Earning per equity share: (1) Basic		1.70	1.52

For **BHUWALKA CASTINGS & FORGING PVT LTD**

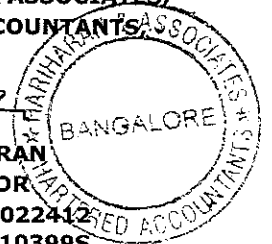

SAJAN KUMAR BHUWALKA
DIRECTOR


KAMAL KUMAR BHUWALKA
DIRECTOR

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


M. HARIHARAN
PROPRIETOR

Membership No.022412
Firm Regn.No.0103995



PLACE : BANGALORE
DATE : 16/05/2018

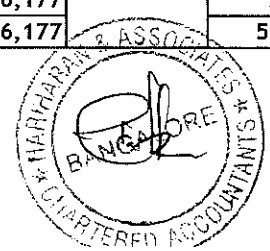
M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED
Notes to Financial Statement for the year ended 31st March, 2018

(Amount in Indian Rupee)

		AS AT 31-03-2018		AS AT 31-03-2017	
Note 1	SHARE CAPITAL				
	<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	
	Total	27,239,050		27,239,050	
Note 1(a)		As at 31 March 2018		As at 31 March 2017	
	Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	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	Reserves and Surplus				
	<u>a. Reserve</u>				
	Opening balance	61,293,871		57,160,328	
	Net Profit For the current year	4,626,905		4,133,543	
	Closing Balance	65,920,776		61,293,871	
<u>b. Revaluation Reserve</u>	255,835,252		255,835,252		
Total	321,756,028		317,129,123		
Note 3	Long Term Borrowings				
	<u>Secured</u>				
	KOTAK MAHINDRA BANK LTD a. (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)	44,795,322		7,751,652	
b.Term Loan From KMBL Against New Plant & Machinery	3,527,321		4,607,920		
		48,322,643		12,359,572	
Note 3A	<u>Unsecured Loan</u>				
	From Director & Others	20,870,000		-	
		20,870,000		-	
Note 4	Short Term Borrowing				
	<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)	63,699,447		117,529,295	
Total	63,699,447		117,529,295		
Note-5	<u>Trade Payable</u>				
	Sundry Creditors	59,396,177		52,121,950	
		59,396,177		52,121,950	

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M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2018

(Amount in Indian Rupee)

		AS AT 31-03-2018	AS AT 31-03-2017
Note 6	<u>Other Current Liabilities</u>		
	Out Standing Liabilities	8,346,100	5,714,294
	Statutory Liabilities	5,789,019	473,095
	Advance From Customers	36,843,693	57,333,960
	Total	50,978,812	63,521,349
Note 7	<u>Short Term Provision</u>		
	(a) Provision for employee benefits		
	Gratuity (Funded)	813,425	624,370
	Leave Encashment (Funded)	361,282	258,113
		1,174,707	882,483
	(b) Others -Taxation	6,436,528	9,693,069
	Total	7,611,235	10,575,552
Note-9	<u>Non Current Investments</u>		
	Investments in Government or Securities-NSC	10,000	10,000
Note 10	<u>Other non- current assets</u>		
	Preliminary Expenses		
	Opening Balance	-	22,500
	Less: Written off during the year	-	22,500
	Closing Balance.	-	-
Note 11	<u>Inventories</u>		
	a. Raw Materials and components (Valued at Cost)	47,667,264	55,954,144
	b. Finished goods (Valued at Cost) - Castings	15,344,449	15,016,935
	c. Finished goods (Valued at Cost) - Rolls	7,200,990	14,950,525
	d. Stock-in-trade (Valued at Cost)	1,459,063	1,458,570
	e. Stores and spares (Valued at Cost)	21,998,000	23,673,253
	Total	93,669,766	111,053,427
Note 12	<u>Trade Receivable</u>		
	(Unsecured and Considered Good)		
	Over Six Months	60,031,047	4,287,327
	Other	3,472,252	37,289,129
	Total	63,503,299	41,576,456
Note 13	<u>Cash and Cash Equivelents</u>		
	Cash in Hand	1,997,783	6,280,684
	Cash at Bank	283,494	348,376
	Total	2,281,278	6,629,060
Note14	<u>Short Term Loans and Advances</u>		
	Advance to Suppliers and Others	55,470,218	46,391,266
		55,470,218	46,391,266
Note 15	<u>Other current assets</u>		
	Deposit and EMD	9,381,839	9,381,839

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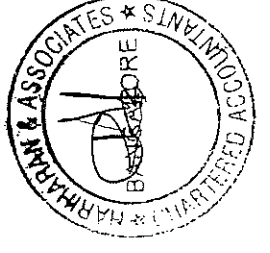
BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

FIXED ASSETS AS AT 31.03.2018

(Amount in Indian Rupees)

NOTE: 8

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 01.04.2017	ADDITIONS DURING THE YEAR	SALES/ADJ DURING THE YEAR	TOTAL AS ON 31.03.2018	AS ON 01.04.2017	DEPRECIATION FOR THE YEAR	TOTAL AS ON 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017
Land	266,700,000.00	-	-	266,700,000.00	-	-	-	266,700,000.00	266,700,000.00
Building	27,289,380.07	-	-	27,289,380.07	6,196,131.74	911,465.28	7,107,597.02	20,181,783.05	21,093,248.33
Water Installations	49,231.00	-	-	49,231.00	15,031.35	1,644.32	16,675.67	32,555.33	34,199.65
Plant & Machinery	180,826,500.64	2,820,386.52	-	183,646,887.16	68,253,870.06	9,649,569.91	77,903,439.97	105,743,447.19	112,572,630.58
Electrical Installation	2,865,592.19	-	-	2,865,592.19	1,503,111.31	151,303.27	1,654,414.58	1,211,177.61	1,362,480.88
Weighing Scale	447,800.00	-	-	447,800.00	248,551.82	23,643.84	272,195.66	175,604.34	199,248.18
Furniture & Fixtures	569,425.00	-	-	569,425.00	252,999.91	36,044.61	289,044.52	280,380.48	316,425.09
Office Equipments	1,022,632.00	-	-	1,022,632.00	441,892.10	53,994.96	495,887.06	526,744.94	580,739.90
Computers	4,561,353.50	-	-	4,561,353.50	3,807,054.15	489,062.77	4,296,116.92	265,236.58	754,299.35
Vehicles - Trucks	129,535.96	-	-	129,535.96	123,059.13	-	123,059.13	6,476.83	6,476.83
Vehicles - Car	1,318,233.00	-	-	1,318,233.00	209,429.86	125,232.14	334,662.00	983,571.00	1,108,803.14
Laboratory Equipments	212,744.00	-	-	212,744.00	137,824.69	15,041.00	152,865.69	59,878.31	74,919.31
TOTAL	485,992,427.36	2,820,386.52	-	488,812,813.88	81,188,956.12	11,457,002.10	92,645,958.22	396,166,855.66	404,803,471.24
Previous Year	227,379,417.67	258,613,009.69	-	485,992,427.36	58,764,353.84	11,382,308.32	81,188,956.12	404,803,471.24	157,572,769.87



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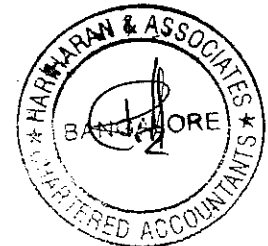
M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2018

(Amount in Indian Rupee)

		For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Note 16	<u>Revenue from Operation</u>		
	Sale of finished goods	242,467,789	216,414,460
	Sale of Stores Scrap and Others	337,875	-
	Sale of Trade Material	493,251,237	664,444,442
	Other Item	31,600,000	-
	Total	767,656,901	880,858,902
Note 17	<u>Other Income</u>		
	Interest Received	481,153	685,050
	Miscellaneous Receipts	383,319	69,252
	Sundry Balances Written back	432,688	312,778
	Provision no longer required	14,508	41,444
	Total	1,311,669	1,108,524
Note 18	<u>Raw Materials cosumed</u>		
	Opening Stock	55,954,144	64,575,530
	Add: Purchases and Freight	73,674,247	33,873,455
		129,628,391	98,448,985
	Less: Closing Stock	(47,667,264)	(55,954,144)
		81,961,127	42,494,841
Note 19	<u>Purchase of Stock in Trade</u>		
	Finished Goods	493,085,891	662,281,902
Note 20	<u>Change in inventories of finished goods</u>		
	Closing Stock		
	Finished Goods-castings	15,344,449	15,016,935
	Finished Goods-rolled products	7,200,990	14,950,525
		22,545,439	29,967,460
	Opening Stock		
	Finished Goods-castings	15,016,935	28,836,766
	Finished Goods-rolled products	14,950,525	14,643,816
		29,967,460	43,480,582
	Changes in inventories of Finished goods	7,422,021	13,513,122
Note 21	<u>Employee benefit expenses</u>		
	Salary and Wages	9,029,180	8,249,083
	Employers Contribution to P.F, E.S.I and Other Funds	747,386	643,042
	Total	9,776,566	8,892,125

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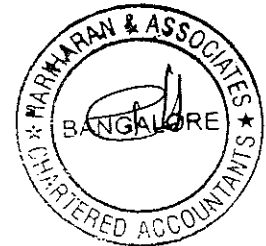
M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2018

(Amount in Indian Rupee)

		For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Note 22	<u>Financial costs</u>		
	Interest on Term Loan	4,240,133	2,050,058
	Interest on Working Capital	9,174,846	13,099,743
	Interest on Bills Discounting	26,800	48,422
	Interest on Others	754,124	99,105
	Total	14,195,903	15,297,328
Note 23	<u>Central Excise Duty</u>	5,127,213	22,536,838
Note 24	<u>Manufacturing Expenses</u>		
	Stores and Spares Consumed	62,753,684	48,844,490
	Production charges	14,120,140	6,754,766
	Power and Fuels	39,539,393	29,295,979
	Repairs and Maintenance -Plant & Machinery	2,192,429	-
	Repairs and Maintenance -Vehicle	204,455	333,178
	Repairs and Maintenance -Others	986,037	1,661,121
	Total	119,796,138	86,889,534
Note 25	<u>Other Expenses</u>		
	Security charges	3,332,483	2,807,579
	Staff Welfare	68,895	57,850
	Rates and Taxes	347,864	586,901
	Rent	926,737	721,718
	Insurance	141,682	175,229
	Printing and Stationery	79,878	100,337
	Travelling and Conveyance	805,503	765,847
	Postage, Telegram and Telephones	92,706	112,485
	Professional and Consultancy Charges	1,386,596	920,053
	Miscellaneous Expenses	1,372,793	3,352,469
	Audit Fee	150,000	100,000
	Sundry Balance Written off	4,767,682	1,438,342
	Bank charges	524,429	496,471
	Loss on Sale of Fixed Assets	7,597	-
	Preliminary Exp W/off	-	22,500
	<u>Selling Expenses</u>		
	Carriage Outwards	529,667	1,179,583
	Commission & Brokerage	-	3,600
	Other Selling Expenses	2,355,310	91,258
	Total	16,889,824	12,932,222

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**NOTE "26" ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH, 2018.**

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.1,02,00,000/- or more per annum and/or Rs.8,50,000/- 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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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 31.03.2018 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.

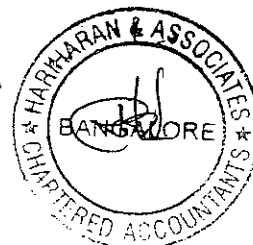
xi) **Cash Flow Statement :**

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.

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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 :
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	---	751.86
Sales	---	2615.93
Expenses	12.00	26.94
Income	---	---
Outstandings – Debit	---	---
– Credit	---	355.51

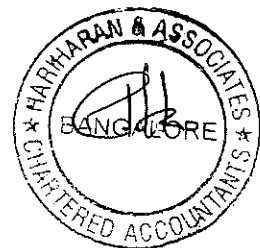
10. Accounting Standard 19 – Leases:

Accounting Standard 19 is applicable only in the case of lease transactions entered into on or after 1st April,2001. The Company has taken other premises Cancelable operating lease agreement after 1st 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. 9,26,737/-**.

11. In accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the Company has during the year withdrawn deferred tax liability amounting to **Rs.12,40,235/-** 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:

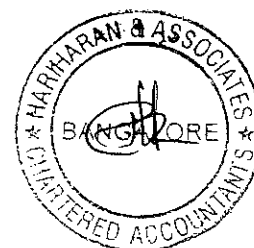
Particulars	Period Ended 31 st March, 2018	Year Ended 31 st March, 2017
Profit after Taxation	44,77,825	41,33,543
Profit attributable to Equity Share holders	44,77,825	41,33,543
Weighted average number of shares	27,23,905	27,23,905
Earnings per share (Rs. per equity share of Rs.10/- each) Basic and Diluted	1.64	1.52

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	2041.377 (2698.405)	5,59,54,144 (6,45,75,530)
(ii) Purchases	4111.378 (2581.272)	7,36,74,247 (3,38,73,455)
(iii) Consumption	4278.305 (3226.190)	8,19,61,127 ---
(iv) Sales	--- (12.110)	--- (---)
(v) Closing Stock	1874.450 (2041.377)	4,76,67,264 (5,59,54,144)

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FINISHED GOODS:

(CASTINGS/ROLLED PRODUCTS):

	<u>Qty.in MTs</u>	<u>Value</u>
1) Opening Stock	254.528 (421.746)	2,99,67,460 (2,88,36,766)
2) Purchases during the year	13635.908 (21090.720)	49,30,85,891 (66,21,00,402)
3) Production during the year	2846.232 (2122.580)	--
4) Sales during the year	16510.483 (23381.518)	73,57,19,026 (88,08,58,902)
5) Closing Stock	226.185 (254.528)	2,25,45,439 (2,99,67,460)

EARNINGS IN FOREIGN CURRENCY – Export - F.O.B.Value of Exports Rs. 19,58,621.00
(24,34,267.00)

EXPENDITURE IN FOREIGN CURRENCY:


CIF Value of Imports - Rs. 16,593/- (51,41,058/-)

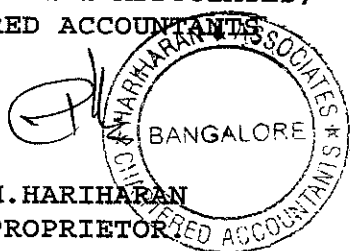
For BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

As per our report of even date

For HARIHARAN & ASSOCIATES,
CHARTERED ACCOUNTANTS

S.C.
SAJAN KUMAR BHUWALKA
DIRECTOR


KAMAL KUMAR BHUWALKA
DIRECTOR


M. HARIHARAN
PROPRIETOR
Membership No. 22412.
Firm Regn.No. 010399S

PLACE: BANGALORE.
DATE : 16/05/2018


M/S. BHUWALKA CASTINGS & FORGING PVT.LTD

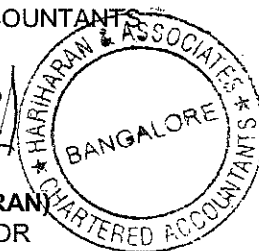
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH'2018.			
(AS per Indirect Method of Accounting Standard - 3)			
		<i>Amount in Indian Rupees.</i>	
		RS	RS
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax And Extraordinary items		9,208,884
	Adjustments for :		
	Deferred Revenue Expenses written-off		
	Depreciation	11,457,002	
	(Profit)/Loss from sales of Fixed Assets	-	
	Interest charged to Profit & Loss A/c	14,195,903	
	Preliminary Expenses	-	
	Interest Received	(481,153)	
	Dividend Income	-	
	OPERATING CASH PROFIT BEFORE WORKING CAPITAL CHANGES.		25,171,752
	Adjustments for :		34,380,636
	Trade and other Receivables	(31,005,795)	
	Inventories	17,383,661	
	Trade Payables and other Liabilities	(8,232,627)	
	CASH INFLOW FROM OPERATIONS	(21,854,761)	
	Direct Taxes Paid/ (Refund)	(3,341,744)	(25,196,505)
	NET CASH FROM OPERATING ACTIVITIES		9,184,131
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Increase in Fixed Assets(Net)	(2,820,386)	
	Interest Received	481,153	
	Increase Capital	-	
	Dividend Income	-	(2,339,233)
	NET CASH USED IN INVESTING ACTIVITIES		
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Increase/(Decrease) in Long Term Borrowings	3,003,223	
	Interest	(14,195,903)	
	NET CASH USED IN FINANCING ACTIVITIES		(11,192,680)
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		(4,347,782)
	Opening Balance of Cash and Cash Equivalents		6,629,060
	Closing Balance of Cash and Cash Equivalents		2,281,278
			4,347,782

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

S.A
SAJAN KUMAR BHUWALKA
DIRECTOR


KAMAL KUMAR BHUWALKA
DIRECTOR


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



PLACE : BANGALORE.
DATE :16/05/2018.