

# 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 2019, 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.

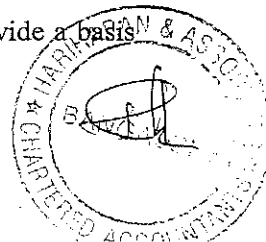
### Auditor's Responsibility

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 2019** 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 2019** taken on record by the Board of Directors, none of the directors is disqualified as on **31 March 2019** 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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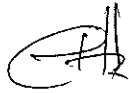
E-mail : hari304b@yahoo.com

- (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*

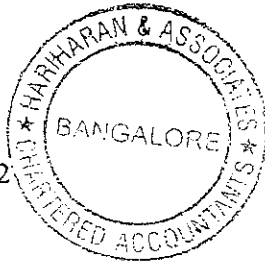
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**M. HARIHARAN**

*Proprietor*

Membership number: 022412



Bangalore

Date: 07<sup>th</sup> May, 2019

## **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 31<sup>st</sup> March 2019.**

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

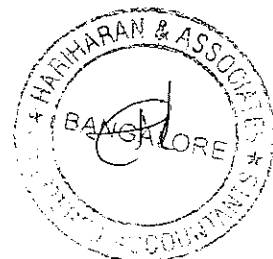
1. We have audited the internal financial controls over financial reporting of **M/s. Bhuwalka Castings & Forging Pvt. Ltd., as of 31<sup>st</sup> March 2019** in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

#### **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 **31<sup>st</sup> March 2019**, 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*

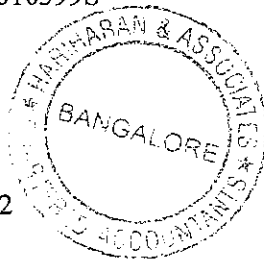
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**M. HARIHARAN**

*Proprietor*

Membership number: 022412



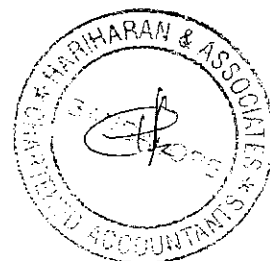
Bangalore

Date: 07<sup>th</sup> May, 2019

## **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 2019, 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*

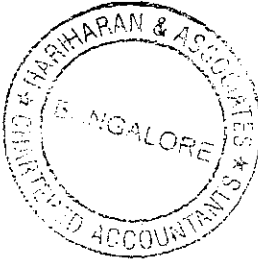
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**M. HARIHARAN**

*Proprietor*

Membership number: 022412



Bangalore

Date: 07<sup>th</sup> May, 2019

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

**Balance Sheet as at 31st March, 2019**

( Amount in Indian Rupee)

Particulars	Note No	AS AT 31-03-2019	AS AT 31-03-2018
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	27,239,050	27,239,050
(b) Reserves and Surplus	2	332,050,404	321,756,028
<b><u>(2) Non-Current Liabilities</u></b>			
(a) Long-term borrowings	3	37,370,017	48,322,643
(b) Deferred tax liabilities (Net)		16,844,007	20,609,863
<b><u>(3) Unsecured Loans</u></b>			
	3A	2,470,000	20,870,000
<b><u>(3) Current Liabilities</u></b>			
(a) Short-term borrowings	4	117,895,591	63,699,447
(b) Trade payables	5	64,579,220	59,396,177
(c) Other current liabilities	6	28,314,449	50,978,812
(d) Short-term provisions	7	7,209,195	7,611,235
<b>Total</b>		<b>633,971,934</b>	<b>620,483,255</b>
<b>II.Assets</b>			
<b><u>(1) Non-current assets</u></b>			
<b><u>(a) Fixed assets</u></b>			
(i) Tangible assets	8	385,114,762	396,166,856
(b) Non-current investments	9	10,000	10,000
<b><u>(2) Current assets</u></b>			
(a) Current investments			
(b) Inventories	10	112,135,434	93,669,766
(c) Trade receivables	11	63,176,626	63,503,299
(d) Cash and cash equivalents	12	7,878,925	2,281,277
(e) Short-term loans and advances	13	57,240,003	55,470,218
(f) Other current assets	14	8,416,183	9,381,839
<b>Total</b>		<b>633,971,934</b>	<b>620,483,255</b>



**For BHUWALKA CASTINGS & FORGING PVT LTD**

**KAMAL KUMAR BHUWALKA**  
DIRECTOR

**KISHAN KUMAR BHUWALKA**  
DIRECTOR

**PLACE : BANGALORE**  
**DATE : 07/05/2019.**

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 & FORGING PRIVATE LIMITED**

**Profit and Loss for the year ended 31st March, 2019**

( Amount in Indian Rupee)

Particulars	Note No	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
<b>I. Revenue from operations</b>	<b>15</b>	<b>494,433,043</b>	767,656,901
II. Other Income	<b>16</b>	<b>1,517,025</b>	1,311,669
<b>III. Total Revenue (I +II)</b>		<b>495,950,068</b>	<b>768,968,570</b>
<b><u>IV. Expenses:</u></b>			
Cost of materials consumed	<b>17</b>	<b>142,192,654</b>	81,961,127
Purchase of Stock-in-Trade	<b>18</b>	<b>129,213,054</b>	493,085,891
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<b>19</b>	<b>(10,660,561)</b>	7,422,021
Employee benefit expense	<b>20</b>	<b>10,530,459</b>	9,776,566
Financial costs	<b>21</b>	<b>14,408,682</b>	14,195,903
Depreciation and amortization expense	<b>8</b>	<b>11,052,094</b>	11,457,002
Central Excise Duty	<b>22</b>	-	5,127,213
Manufacturing Expenses	<b>23</b>	<b>163,084,470</b>	119,796,138
Other expenses	<b>24</b>	<b>26,154,717</b>	16,889,824
Service Tax Paid		-	48,001
<b>Total Expenses</b>		<b>485,975,567</b>	<b>759,759,686</b>
<b>V. Profit before exceptional and extraordinary items and tax</b>	<b>(III - IV)</b>	<b>9,974,501</b>	<b>9,208,884</b>
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		<b>9,974,501</b>	<b>9,208,884</b>
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<b>9,974,501</b>	<b>9,208,884</b>
X. Tax expense:			
(1) Current tax		<b>3,445,981</b>	3,341,744
(2) Deferred tax		<b>(3,765,856)</b>	1,240,235
XI. Profit for the year from continuing operations	<b>(VII-VIII)</b>	<b>10,294,376</b>	<b>4,626,905</b>
<b>XII. Profit for the year (XI + XIV)</b>		<b>10,294,376</b>	<b>4,626,905</b>
XIII. Earning per equity share:			
(1) Basic		<b>3.78</b>	<b>1.70</b>

For **BHUWALKA CASTINGS & FORGING PVT LTD**

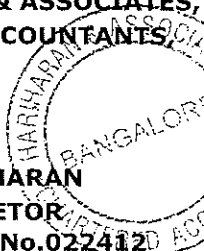
**KAMAL KUMAR BHUWALKA**  
DIRECTOR

**KISHAN KUMAR BHUWALKA**  
DIRECTOR

PLACE : BANGALORE  
DATE : 07/05/2019.

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

**M. HARIHARAN**  
PROPRIETOR  
Membership No. 022412  
Firm Regn. No. 0103995

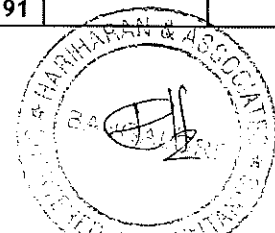


M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2019

(Amount in Indian Rupee)

Note 1	SHARE CAPITAL	AS AT 31-03-2019		AS AT 31-03-2018	
		<u>Authorised</u> 50,00,000 Equity Shares of Rs.10 each		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>	<b>27,239,050</b>		<b>27,239,050</b>	
Note 1(a)	Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
		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	65,920,776		61,293,871	
	Net Profit For the current year	10,294,376		4,626,905	
	Closing Balance	76,215,152		65,920,776	
	<u>b. Revaluation Reserve</u>	255,835,252		255,835,252	
	<b>Total</b>	<b>332,050,404</b>		<b>321,756,028</b>	
Note 3	Long Term Borrowings				
	<u>Secured</u>				
	KOTAK MAHINDRA BANK	-		44,795,322	
	a.Term Loan From KMBL Against New Plant & Machinery	-		3,527,321	
	ICICI BANK LTD	37,370,017		-	
	b.(Exclusive charge in favour of ICICI Bank by way of hypothecation of companies entire fixed assets, Collateral Security Plot No as Land & Building, Plot No.16B, 17B, 18, 19 and 20 situated at Tamaka Industrial Area, Kolar, inventories and other movable including bank debts and bills receivable, both present and future. On conditional and irrevocable personal guarantee of Directors).				
	<b>Total</b>	<b>37,370,017</b>		<b>48,322,643</b>	
Note 3A	Unsecured Loan				
	From Director & Others	2,470,000		20,870,000	
	<b>Total</b>	<b>2,470,000</b>		<b>20,870,000</b>	
Note 4	Short Term Borrowing				
	<u>Secured</u>				
	(a) Loans repayable on demand				
	KOTAK MAHINDRA BANK	-		63,699,447	
	ICICI BANK LTD	117,895,591		-	
	(Exclusive charge in favour of ICICI Bank by way of hypothecation of companies entire fixed assets, Collateral Security Plot No as Land & Building, Plot No.16B, 17B, 18, 19 and 20 situated at Tamaka Industrial Area, Kolar, inventories and other movable including bank debts and bills receivable, both present and future. On conditional and irrevocable personal guarantee of Directors).				
	<b>Total</b>	<b>117,895,591</b>		<b>63,699,447</b>	



M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2019

( Amount in Indian Rupee)

		AS AT 31-03-2019	AS AT 31-03-2018
<b>Note 5</b>	<b><u>Trade Payable</u></b>		
	Sundry Creditors	64,579,220	59,396,177
		64,579,220	59,396,177
<b>Note 6</b>	<b><u>Other Current Liabilities</u></b>		
	Out Standing Liabilities	6,859,799	8,346,100
	Statutory Liabilities	2,357,733	5,789,019
	Advance From Customers	19,096,917	36,843,693
	<b>Total</b>	<b>28,314,449</b>	<b>50,978,812</b>
<b>Note 7</b>	<b><u>Short Term Provision</u></b>		
	<b>(a) Provision for employee benefits</b>		
	Gratuity (Funded)	993,366	813,425
	Leave Encashment (Funded)	551,211	361,282
		1,544,577	1,174,707
	<b>(b) Others -Taxation</b>	<b>5,664,618</b>	<b>6,436,528</b>
	<b>Total</b>	<b>7,209,195</b>	<b>7,611,235</b>
<b>Note 9</b>	<b><u>Non Current Investments</u></b>		
	Investments in Government or securities-NSC	10,000	10,000
<b>Note 10</b>	<b><u>Inventories</u></b>		
	a. Raw Materials and components (Valued at Cost)	47,189,680	47,667,264
	b. Finished goods (Valued at Cost) - Castings	30,418,700	15,344,449
	c. Finished goods (Valued at Cost) - Rolls	2,787,300	7,200,990
	d. Stock-in-trade (Valued at Cost)	-	1,459,063
	e. Stores and spares (Valued at Cost)	31,739,754	21,998,000
	<b>Total</b>	<b>112,135,434</b>	<b>93,669,766</b>
<b>Note 11</b>	<b><u>Trade Receivable</u></b>		
	(Unsecured and Considered Good)		
	Over Six Months	1,104,523	3,472,252
	Other	62,072,103	60,031,047
	<b>Total</b>	<b>63,176,626</b>	<b>63,503,299</b>
<b>Note 12</b>	<b><u>Cash and Cash Equivelents</u></b>		
	Cash in Hand	5,266,829	1,997,783
	Cash at Bank	2,612,095	283,494
	<b>Total</b>	<b>7,878,925</b>	<b>2,281,277</b>
<b>Note 13</b>	<b><u>Short Term Loans and Advances</u></b>		
	Advance to Suppliers and Others	57,240,003	55,470,218
		57,240,003	55,470,218
<b>Note 14</b>	<b><u>Other current assets</u></b>		
	Deposit and EMD	8,416,183	9,381,839



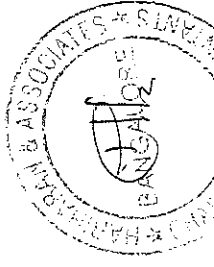
## BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

### FIXED ASSETS AS AT 31.03.2019

(Amount in Indian Rupees)

NOTE: 8

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 01.04.2018	ADDITIONS DURING THE YEAR	SALES/ADJ DURING THE YEAR	TOTAL AS ON 31.03.2019	AS ON 01.04.2018	DEPRECIATION FOR THE YEAR	TOTAL AS ON 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
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	7,107,597.02	911,465.28	8,019,062.30	19,270,317.77	20,181,783.05
Water Installations	49,231.00	-	-	49,231.00	16,675.67	1,644.32	18,319.99	30,911.01	32,555.33
Plant & Machinery	183,646,887.16	-	-	183,646,887.16	77,903,439.97	9,696,555.67	87,599,995.64	96,046,891.52	105,743,447.19
Electrical Installation	2,865,592.19	-	-	2,865,592.19	1,654,414.58	151,303.27	1,805,717.85	1,059,874.34	1,211,177.61
Weighing Scale	447,800.00	-	-	447,800.00	272,195.66	23,643.84	295,839.50	151,960.50	175,604.34
Furniture & Fixtures	569,425.00	-	-	569,425.00	289,044.52	36,044.61	325,089.13	244,335.87	280,380.48
Office Equipments	1,022,632.00	-	-	1,022,632.00	495,887.06	53,994.96	549,882.02	472,749.98	526,744.94
Computers	4,561,353.50	-	-	4,561,353.50	4,296,116.92	37,168.91	4,333,285.83	228,067.67	265,236.58
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	334,662.00	125,232.14	459,894.14	858,338.86	983,571.00
Laboratory Equipments	212,744.00	-	-	212,744.00	152,865.69	15,041.00	167,906.69	44,837.31	59,878.31
<b>TOTAL</b>	<b>488,812,813.88</b>	<b>-</b>	<b>-</b>	<b>488,812,813.88</b>	<b>92,645,958.22</b>	<b>11,052,094.00</b>	<b>103,698,052.22</b>	<b>385,114,761.66</b>	<b>396,166,855.66</b>
Previous Year	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

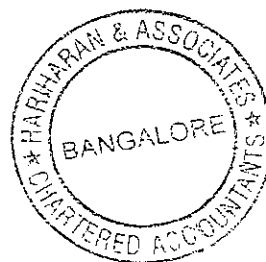


M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2019

( Amount in Indian Rupee)

		For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
<b>Note 15</b>	<b><u>Revenue from Operation</u></b>		
	Sale of finished goods	363,870,995	242,467,789
	Sale of Stores Scrap and Others	1,004,020	337,875
	Sale of Trade Material	129,558,028	493,251,237
	Other Item	-	31,600,000
	<b>Total</b>	<b>494,433,043</b>	<b>767,656,901</b>
<b>Note 16</b>	<b><u>Other Income</u></b>		
	Interest Received	642,028	481,153
	Miscellaneous Receipts	138,006	383,319
	Sundry Balances Written back	736,446	432,688
	Provision no longer required	545	14,508
	<b>Total</b>	<b>1,517,025</b>	<b>1,311,669</b>
<b>Note 17</b>	<b><u>Raw Materials cosumed</u></b>		
	Opening Stock	47,667,264	55,954,144
	Add: Purchases and Freight	142,627,630	73,674,247
		190,294,894	129,628,391
	Less: Sales	(912,560)	
	Less: Closing Stock	(47,189,680)	(47,667,264)
		142,192,654	81,961,127
<b>Note 18</b>	<b><u>Purchase of Stock in Trade</u></b>		
	Finished Goods	129,213,054	493,085,891
<b>Note 19</b>	<b><u>Change in inventories of finished goods</u></b>		
	<b>Closing Stock</b>		
	Finished Goods - castings	30,418,700	15,344,449
	Finished Goods - rolled products	2,787,300	7,200,990
		33,206,000	22,545,439
	<b>Opening Stock</b>		
	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
	<b>Changes in inventories of Finished goods</b>	<b>(10,660,561)</b>	<b>7,422,021</b>
<b>Note 20</b>	<b><u>Employee benefit expenses</u></b>		
	Salary and Wages	9,774,187	9,029,180
	Employers Contribution to P.F, E.S.I and Other Funds	756,271	747,386
	<b>Total</b>	<b>10,530,459</b>	<b>9,776,566</b>

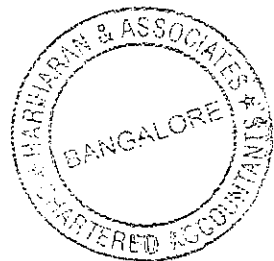


**M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED**

Notes to Financial Statement for the year ended 31st March, 2019

( Amount in Indian Rupee)

		<b>For the Year Ended 31-03-2019</b>	<b>For the Year Ended 31-03-2018</b>
<b>Note 21</b>	<b><u>Financial costs</u></b>		
	Interest on Term Loan	5,275,480	4,240,133
	Interest on Working Capital	7,700,840	9,174,846
	Interest on Bills Discounting	-	26,800
	Interest on Others	1,432,362	754,124
	<b>Total</b>	<b>14,408,682</b>	<b>14,195,903</b>
<b>Note 22</b>	<b><u>Central Excise Duty</u></b>	-	5,127,213
<b>Note 23</b>	<b><u>Manufacturing Expenses</u></b>		
	Stores and Spares Consumed	88,928,707	62,753,684
	Production Charges	17,883,088	14,120,140
	Power and Fuels	53,296,067	39,539,393
	Repairs and Maintenance - Plant & Machinery	2,611,153	2,192,429
	Repairs and Maintenance - Vehicle	184,208	204,455
	Repairs and Maintenance - Others	181,248	986,037
	<b>Total</b>	<b>163,084,470</b>	<b>119,796,138</b>
<b>Note 24</b>	<b><u>Other Expenses</u></b>		
	Security charges	3,334,078	3,332,483
	Staff Welfare	83,610	68,895
	Rates and Taxes	1,624,658	347,864
	Rent	811,159	926,737
	Insurance	167,036	141,682
	Printing and Stationery	169,163	79,878
	Travelling and Conveyance	1,039,160	805,503
	Postage, Telegram and Telephones	121,092	92,706
	Professional and Consultancy Charges	1,504,573	1,386,596
	Miscellaneous Expenses	885,617	1,372,793
	Audit Fee	150,000	150,000
	Sundry Balance Written off	1,945,772	4,767,682
	Bank charges	2,200,906	524,429
	Loss on Sale of Fixed Assets	1,595	7,597
	<b><u>Selling Expenses</u></b>		
	Carriage Outwards	814,108	529,667
	Commission & Brokerage	11,272,943	-
	Other Selling Expenses	29,245	2,355,310
	<b>Total</b>	<b>26,154,717</b>	<b>16,889,824</b>



**NOTE "25" ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE  
YEAR ENDED 31ST MARCH, 2019.**

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.



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 **31.03.2019** 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:**

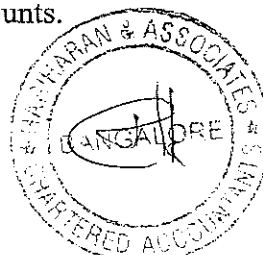
Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.

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 :
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	---	1530.49
Sales	---	1530.73
Expenses	12.00	21.04
Income	---	---
Outstandings – Debit	---	---
– Credit	---	162.93

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. 8,11,159/-**.

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.(37,65,856/-)** on account of timing difference.

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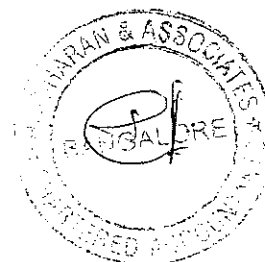
12. Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India requires that the closing stock of finished goods should also include excise duty element and a provision for the liability to be made as the duty liability accrued on manufacture. However, 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,2019	Year Ended 31 <sup>st</sup> March,2018
Profit after Taxation	1,02,94,376	46,26,905
Profit attributable to Equity Share holders	1,02,94,376	46,26,905
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	3.78	1.70

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	1874.450 (2041.377)	4,76,67,264 (5,59,54,144)
(ii) Purchases	6057.330 (4111.378)	14,26,27,630 (7,36,74,247)
(iii) Consumption	6362.204 (4278.305)	14,21,92,654 (8,19,61,127)
(iv) Sales	29.920 (---)	9,12,560 (---)
(v) Closing Stock	1539.656 (1874.450)	4,71,89,680 (4,76,67,264)



**FINISHED GOODS:**

<b><u>(CASTINGS/ROLLED PRODUCTS):</u></b>	<b><u>Qty.in MTs</u></b>	<b><u>Value</u></b>
1) Opening Stock	226.185 (254.528)	2,25,45,439 (2,99,67,460)
2) Purchases during the year	3177.960 (13635.908)	12,92,13,054 (49,30,85,891)
3) Production during the year	4295.381 (2846.232)	--
4) Sales during the year	7299.393 (16510.483)	49,34,29,023 (73,57,19,026)
5) Closing Stock	400.133 (226.185)	3,32,06,000 (2,25,45,439)

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

**EXPENDITURE IN FOREIGN CURRENCY:**

CIF Value of Imports - Rs. 25,54,677/- (16,593/-)

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For BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

As per our report of even date

For HARIHARAN & ASSOCIATES  
CHARTERED ACCOUNTANTS & AS

KAMAL KUMAR BHUWALKA  
DIRECTOR

KISHAN KUMAR BHUWALKA  
DIRECTOR

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

PLACE: BANGALORE.  
DATE : 07/05/2019

**M/s BHUWALKA CASTINGS & FORGING PRIVATE LIMITED**  
 NO-5, WALKER LANE, BHUWALKA LAMDMARK"  
BANGALORE-25

PAN : AACCB 4496L  
 STATUS: PRIVATE LIMITED COMPANY

ASSESSMENT YEAR: 2019-20.  
 FIN: YEAR : 2018-19.

COMPUTATION OF TOTAL INCOME

	<u>AMOUNT RS.</u>
<b><u>BUSINESS INCOME:</u></b>	
Net Profit as per Profit and Loss account	9,974,501
<b>ADD :</b> Depreciation considered separately	11,052,094
Loss on Sale of Fixed Assests	1,595
Provision for Leave Salary(1544577-1174707)	369870
Donation	-
	11,423,559
	21,398,060
<b>LESS :</b> Depreciation as per Income Tax	9,341,006
<b>Less:</b>	9,341,006
<b>TAXABLE INCOME</b>	<b>12,057,054</b>
Income Tax @ 25%	3,014,264
Add: Sur Charges @ 7%	210,998
<b>INCOME TAX THEREON</b>	<b>3,225,262</b>
Add: Edn. & Hedn Cess@4%	129,010
	<b>3,354,272</b>
Less: MAT paid early years adjusted	2,053,431
<b>Tax Payable</b>	<b>1,300,842</b>
Less: TDS & TCS	10,174
	10,174
<b>INCOME TAX PAYABLE/(Refundable)</b>	<b>1,290,668</b>
<b>ADD:</b> INTEREST	
U/S 234 B	38,720
U/S234 C	91,709
<b>TAX PAYABLE</b>	<b>130,429</b>
	<b>1,421,097</b>

KAMAL KUMAR BHUWALKA

DIRECTOR