

HARIHARAN & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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 2020, 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.

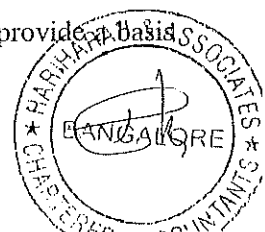
Auditor's Responsibility

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.



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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 2020** 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 2020** taken on record by the Board of Directors, none of the directors is disqualified as on **31 March 2020** 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

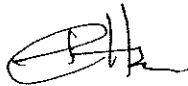


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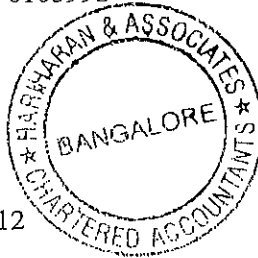
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- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to 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
Firm's registration number: 010399S



M. HARIHARAN
Proprietor
Membership number: 022412



Bangalore
Date: 06th August, 2020

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 2020.

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 2020** 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 2020, 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**

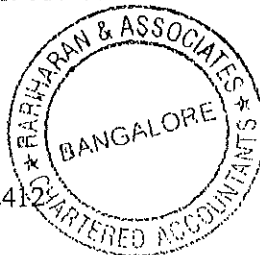
Chartered Accountants

Firm's registration number: 010399S

M. HARIHARAN

Proprietor

Membership number: 022412



Bangalore

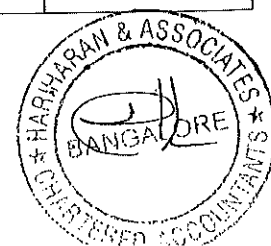
Date: 06th August, 2020

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 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a 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.
- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty ad Value Added Tax which have been deposited as at 31st March,2020 on account of dispute are given below:

Nature of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount
Central Excise Act,1944	Excise Duty	CESTAT, Bgl.	1997 to 2000	72,33,333
Central Excise Act,1944	Excise Duty	CESTAT, Bgl.	2009-10 to 2011-2012	1,25,26,546

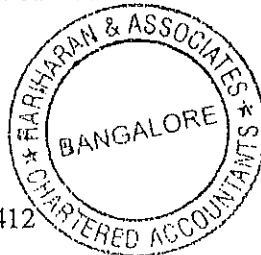


- (vii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (viii) In our opinion and according to the information and the explanations given to us, the Company has 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.
- (xi) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act,2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiii) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act,2013 are not applicable to the Company.

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



M. HARIHARAN
Proprietor
Membership number: 022412



Bangalore
Date: 06th August, 2020

M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Balance Sheet as at 31st March, 2020

(Amount in Indian Rupee)

Particulars	Note No	AS AT 31-03-2020	AS AT 31-03-2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	27,239,050	27,239,050
(b) Reserves and Surplus	2	336,880,309	332,050,404
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	26,348,312	37,370,017
(b) Deferred tax liabilities (Net)		15,064,486	16,844,007
(3) Unsecured Loans			
	3A	4,370,000	2,470,000
(4) Current Liabilities			
(a) Short-term borrowings	4	110,048,342	117,895,591
(b) Trade payables	5	39,291,548	64,579,220
(c) Other current liabilities	6	18,999,707	28,314,449
(d) Short-term provisions	7	5,866,396	7,209,195
Total		584,108,151	633,971,934
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	8	378,113,141	385,114,762
(b) Non-current investments	9	10,000	10,000
(2) Current assets			
(a) Current investments			
Inventories	10	91,784,254	112,135,434
(c) Trade receivables	11	63,422,642	63,176,626
(d) Cash and cash equivalents	12	20,848,220	7,878,925
(e) Short-term loans and advances	13	21,513,710	57,240,003
(f) Other current assets	14	8,416,183	8,416,183
Total		584,108,151	633,971,934

UDIN: 20022412AAAAA08558

For BHUWALKA CASTINGS & FORGING PVT LTD


ANSHAY BHUWALKA
DIRECTOR


KISHAN KUMAR BHUWALKA
DIRECTOR

PLACE : BANGALORE
DATE : 06/08/2020

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 & FORGING PRIVATE LIMITED

Profit and Loss for the year ended 31st March, 2020

(Amount in Indian Rupee)

Particulars	Note No	For the Year Ended 31-03-2020	For the Year Ended 31-03-2019
I. Revenue from operations	15	279,617,598	494,433,043
II. Other Income	16	1,787,111	1,517,025
III. Total Revenue (I +II)		281,404,709	495,950,068
<u>IV. Expenses:</u>			
Cost of materials consumed	17	58,673,218	142,192,654
Purchase of Stock-in-Trade	18	55,393,712	129,213,054
Changes in inventories of finished goods, work-in-progress and Stock-In-Trade	19	9,593,021	(10,660,561)
Employee benefit expense	20	14,793,174	10,530,459
Financial costs	21	14,581,009	14,408,682
Depreciation and amortization expense	8	11,094,657	11,052,094
Manufacturing Expenses	22	99,673,323	163,084,470
Other expenses	23	12,301,056	26,154,717
Total Expenses		276,103,171	485,975,567
V. Profit before exceptional and extraordinary items and tax	(III - IV)	5,301,538	9,974,501
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		5,301,538	9,974,501
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		5,301,538	9,974,501
X. Tax expense:			
(1) Current tax		2,251,154	3,445,981
(2) Deferred tax		(1,779,521)	(3,765,856)
XI. Profit for the year from continuing operations	(VII-VIII)	4,829,905	10,294,376
XII. Profit for the year (XI + XIV)		4,829,905	10,294,376
XIII. Earning per equity share:			
(1) Basic		1.77	3.78

UDIN: 20022412AAAAA08558

For BHUWALKA CASTINGS & FORGING PVT LTD


AKSHAY BHUWALKA
DIRECTOR


KISHAN KUMAR BHUWALKA
DIRECTOR

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


M. HARIHARAN
PROPRIETOR

PLACE : BANGALORE
DATE : 06/08/2020

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, 2020

(Amount in Indian Rupee)

Note 1	SHARE CAPITAL		AS AT 31-03-2020		AS AT 31-03-2019	
		Authorised				
	50,00,000 Equity Shares of Rs.10 each		50,000,000		50,000,000	
	Issued					
	27,23,905 Equity Shares of Rs.10 each		27,239,050		27,239,050	
	Subscribed and Paid up					
	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)	Name of Shareholder	As at 31 March 2020		As at 31 March 2019		
		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	
Note2	Reserves and Surplus					
	a. Reserve					
	Opening balance		76,215,152		65,920,776	
	Net Profit For the current year		4,829,905		10,294,376	
	Closing Balance		81,045,057		76,215,152	
	b. Revaluation Reserve		255,835,252		255,835,252	
	Total		336,880,309		332,050,404	
Note 3	Long Term Borrowings					
	Secured					
	ICICI BANK LTD		26,348,312		37,370,017	
	(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).					
	Total		26,348,312		37,370,017	
Note 3A	Unsecured Loan:					
	Mr. Kamal Kumar Bhuwalka		2,870,000		2,470,000	
	Mrs. Anjali Bhuwalka		1,300,000		-	
	Mr. Akshay Bhuwalka		200,000		-	
	Total		4,370,000		2,470,000	
Note 4	Short Term Borrowing					
	Secured					
	(a) Loans repayable on demand					
	ICICI BANK LTD		110,048,342		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).					
	Total		110,048,342		117,895,591	

MR. AKSHAY

MR. KISHAN



M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

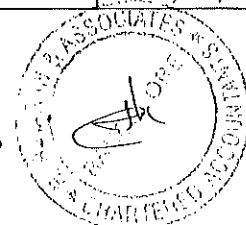
Notes to Financial Statement for the year ended 31st March, 2020

(Amount in Indian Rupee)

		AS AT 31-03-2020	AS AT 31-03-2019
Note 5	<u>Trade Payable</u>		
	Sundry Creditors	39,291,548	64,579,220
	Total	39,291,548	64,579,220
Note 6	<u>Other Current Liabilities</u>		
	Out Standing Liabilities	6,637,331	6,859,799
	Statutory Liabilities	775,874	2,357,733
	Advance From Customers	11,586,502	19,096,917
	Total	18,999,707	28,314,449
Note 7	<u>Short Term Provision</u>		
	(a) Provision for employee benefits		
	Gratuity (Funded)	1,199,690	993,366
	Leave Encashment (Funded)	657,192	551,211
		1,856,882	1,544,577
	(b) Others -Taxation	4,009,514	5,664,618
	Total	5,866,396	7,209,195
Note 9	<u>Non Current Investments</u>		
	Investments in Government or securities - NSC	10,000	10,000
Note 10	<u>Inventories</u>		
	a. Raw Materials and components (Valued at Cost)	31,149,000	47,189,680
	b. Finished goods (Valued at Cost) - Castings	15,825,979	30,418,700
	d. Finished goods (Valued at Cost) - Rolls	7,787,000	2,787,300
	e. Stock-in-trade (Valued at Cost)	1,941,504	-
	f. Stores and spares (Valued at Cost)	35,080,771	31,739,754
	Total	91,784,254	112,135,434
Note 11	<u>Trade Receivable</u>		
	(Unsecured and Considered Good)		
	Over Six Months	15,459	1,104,523
	Other	63,407,183	62,072,103
	Total	63,422,642	63,176,626
Note 12	<u>Cash and Cash Equivelents</u>		
	Cash In Hand	5,939,940	5,266,829
	Cash at Bank	14,908,280	2,612,095
	Total	20,848,220	7,878,925
Note 13	<u>Short Term Loans and Advances</u>		
	Advance to Suppliers and Others	21,513,710	57,240,003
		21,513,710	57,240,003
Note 14	<u>Other current assets</u>		
	Deposit and EMD	8,416,183	8,416,183

AKSHAY
MR. AKSHAY

KISHAN
MR. KISHAN



NOTE: 8

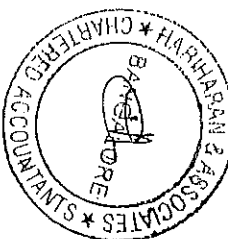
BHUWALKA CASTINGS & FORGING PRIVATE LIMITED**FIXED ASSETS AS AT 31.03.2020**

(Amount in Indian Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2019	ADDITIONS DURING THE YEAR	SALES/ADJ DURING THE YEAR	TOTAL AS ON 31.03.2020	AS ON 01.04.2019	DEPRECIATION FOR THE YEAR	DEPRECIATION WITHDRAWN DURING THE YEAR	TOTAL AS ON 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
Land	266,700,000.00	-	-	266,700,000.00	-	-	-	-	266,700,000.00	266,700,000.00
Building	27,289,380.07	1,770,201.00	-	29,059,581.07	8,019,062.30	911,626.82	-	8,930,689.12	20,128,891.95	19,270,317.77
Water Installations	49,231.00	-	-	49,231.00	18,319.99	1,644.32	-	19,964.31	29,266.69	30,911.01
Plant & Machinery	183,646,887.16	2,180,297.82	-	185,827,184.98	87,599,995.64	9,765,723.73	-	97,365,719.37	88,461,465.61	96,046,891.52
Electrical Installation	2,865,592.19	-	-	2,865,592.19	1,805,717.85	151,303.27	-	1,957,021.12	908,571.07	1,059,874.34
Weighing Scale	447,800.00	-	-	447,800.00	295,839.50	23,643.84	-	319,483.34	128,316.66	151,960.50
Furniture & Fixtures	569,425.00	-	-	569,425.00	325,089.13	36,044.61	-	361,133.74	208,291.26	244,335.87
Office Equipments	1,022,632.00	327,500.00	-	1,350,132.00	549,882.02	68,782.93	-	618,664.95	731,467.05	472,749.98
Computers	4,561,353.50	-	-	4,561,353.50	4,333,285.83	-	-	4,333,285.83	228,067.67	228,067.67
Vehicles - Trucks	1,318,233.00	-	-	1,318,233.00	1,23,059.13	-	-	1,23,059.13	6,476.83	6,476.83
Vehicles - Car	1,318,233.00	-	-	1,318,233.00	459,894.14	121,365.80	85,867.10	495,392.84	552,011.16	858,338.86
Laboratory Equipments	212,744.00	-	-	212,744.00	167,906.69	14,522.14	-	182,428.83	30,315.17	44,837.31
TOTAL	488,812,813.88	4,277,998.82	270,829.00	492,819,983.70	103,645,958.22	11,094,657.46	85,867.10	114,706,842.58	376,113,141.12	385,114,761.66
Previous Year	488,812,813.88	-	-	488,812,813.88	92,645,958.22	11,052,094.00	-	103,698,052.22	385,114,761.66	396,166,855.66

(Signature)
M.K. Akshay

(Signature)
M.K. Krishna



M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2020

(Amount in Indian Rupee)

		AS AT 31-03-2020	AS AT 31-03-2019
Note 15	<u>Revenue from Operation</u>		
	Sale of finished goods	195,746,707	363,870,995
	Sale of Stores Scrap and Others	-	1,004,020
	Sale of Trade Material - Clay	8,937,240	129,558,028
	Merchantile sales	74,933,651	-
	Total	279,617,598	494,433,043
Note 16	<u>Other Income</u>		
	Interest Received	573,349	642,028
	Miscellaneous Receipts	941,202	138,006
	Sundry Balances Written back	210,757	736,446
	Provision no longer required	6,688	545
	Profit on Sale of Fixed Assets	55,116	-
	Total	1,787,111	1,517,025
Note 17	<u>Raw Materials cosumed</u>		
	Opening Stock	47,189,680	47,667,264
	Add: Purchases and Freight	42,632,538	142,627,630
		89,822,218	190,294,894
	Less: Sales	-	(912,560)
	Less: Closing Stock	(31,149,000)	(47,189,680)
		58,673,218	142,192,654
Note 18	<u>Purchase of Stock in Trade</u>		
	Finished Goods / TM Purchase Clay	5,932,171	129,213,054
	Merchantile purchases	49,461,541	-
	Total	55,393,712	129,213,054
Note 19	<u>Change in inventories of finished goods</u>		
	Closing Stock		
	Finished Goods-castlngs	15,825,979	30,418,700
	Finished Goods-rolled products	7,787,000	2,787,300
		23,612,979	33,206,000
	Opening Stock		
	Finished Goods-castlngs	30,418,700	15,344,449
	Finished Goods-rolled products	2,787,300	7,200,990
		33,206,000	22,545,439
	Changes in inventories of Finished goods	9,593,021	(10,660,561)
Note 20	<u>Employee benefit expenses</u>		
	Salary and Wages	13,872,647	9,774,187
	Employers Contribution to P.F, E.S.I and Other Funds	920,526	756,271
	Total	14,793,174	10,530,459

(Signature)
MR. AKSHAY

(Signature)
MR. KISHAN




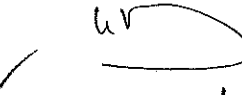
M/S. BHUWALKA CASTINGS AND FORGINGS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2020

(Amount in Indian Rupee)

		AS AT 31-03-2020	AS AT 31-03-2019
Note 21	<u>Financial costs</u>		
	Interest on Term Loan	3,226,765	5,275,480
	Interest on Working Capital	11,153,294	7,700,840
	Interest on Others	200,951	1,432,362
	Total	14,581,009	14,408,682
Note 22	<u>Manufacturing Expenses</u>		
	Stores and Spares Consumed	51,854,002	88,928,707
	Production Charges	15,232,438	17,883,088
	Power and Fuels	31,614,236	53,296,067
	Repairs and Maintenance - Plant & Machinery	530,120	2,611,153
	Repairs and Maintenance - Vehicle	167,134	184,208
	Repairs and Maintenance - Others	210,839	181,248
	Repairs and Maintenance - Building	64,555	-
	Total	99,673,323	163,084,470
Note 23	<u>Other Expenses</u>		
	Security charges	4,056,930	3,334,078
	Staff Welfare	88,335	83,610
	Rates and Taxes	366,541	1,624,658
	Rent	662,759	811,159
	Insurance	259,640	167,036
	Printing and Stationery	95,687	169,163
	Travelling and Conveyance	678,221	1,039,160
	Postage, Telegram and Telephones	93,450	121,092
	Professional and Consultancy Charges	1,568,794	1,504,573
	Miscellaneous Expenses	1,495,839	885,617
	Audit Fee	225,000	150,000
	Sundry Balance Written off	1,177,892	1,945,772
	Bank charges	749,350	2,200,906
	Loss on Sale of Fixed Assets	-	1,595
	<u>Selling Expenses</u>		
	Carriage Outwards	781,893	814,108
	Commission & Brokerage	-	11,272,943
	Other Selling Expenses	725	29,245
	Total	12,301,056	26,154,717


MR. AKSHAY


MR. KISHAN



**NOTE "24" ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH, 2020.**

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.

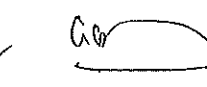
iii) Fixed Assets :

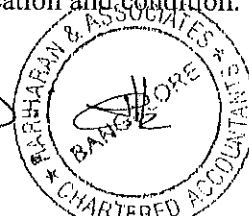
- a) Fixed Assets are stated at their historical cost of acquisition or construction less accumulated depreciation. Cost includes all cost incurred to bring the asset to their present location and condition.
- b) Depreciation on fixed assets has been provided on straight line method over the useful lives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


MR. AKSHAY


MR. KISHAN



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 31.03.2020 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:**

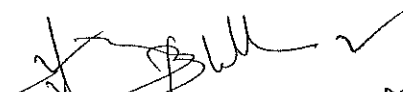
Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.


xi) **Cash Flow Statement :**

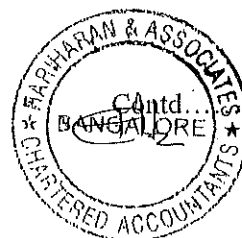
The cash flow statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements.

xii) **Profit & Loss Account:**

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


MR. AKSHAY


MR. KISHAN



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:
- Bhuwalka & Sons Pvt.Ltd.,
 - Bhuwalka Associates
 - Vishwakarma International Pvt. Ltd.
 - Vishwakarma Refractories Pvt. Ltd.

Key Management Personnel - Whole time Directors

- Sri Kamal Kumar Bhuwalka
- Sri Kishan Kumar Bhuwalka

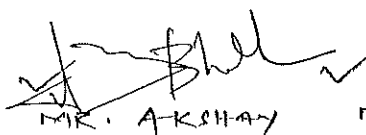
B. Transactions carried out with related parties referred above in ordinary course of business
Rs. Lakhs

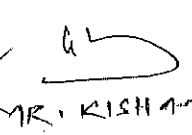
Nature of Transactions	Key Management Personnel	Related Parties
Purchases	---	12.02
Sales	---	89.37
Expenses	12.00	20.87
Income	---	---
Outstandings – Debit	---	10.00
– Credit	---	96.17

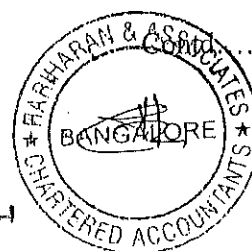
10. Accounting Standard 19 – Leases:

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. 6,62,759/-**.

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.(17,79,521/-)** on account of timing difference.


MR. AKSHAY


MR. KISHAN




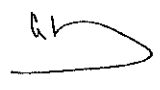
12. Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India requires that the closing stock of finished goods should also include excise duty element and a provision for the liability to be made as the duty liability accrued on manufacture. However, 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:

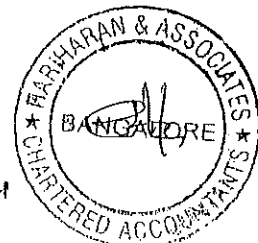
Particulars	Period Ended 31 st March, 2020	Year Ended 31 st March, 2019
Profit after Taxation	48,29,905	1,02,94,376
Profit attributable to Equity Share holders	48,29,905	1,02,94,376
Weighted average number of shares	27,23,905	27,23,905
Earnings per share (Rs.per equity share of Rs.10/- each) Basic and Diluted	1.77	3.78

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	1539.656 (1874.450)	4,71,89,680 (4,76,67,264)
(ii) Purchases	2128.748 (6057.330)	4,26,32,538 (14,26,27,630)
(iii) Consumption	2638.520 (6362.204)	5,86,73,218 (14,21,92,654)
(iv) Sales	NIL (29.9200)	NIL (9,12,560)
(v) Closing Stock	1029.884 (1539.656)	3,11,49,000 (4,71,89,680)



 MR. AKSHAY MR. KISHAN



FINISHED GOODS:

(CASTINGS/ROLLED PRODUCTS):

	<u>Qty.in MTs</u>	<u>Value</u>
1) Opening Stock	400.133 (226.185)	3,32,06,000 (2,25,45,439)
2) Purchases during the year	NIL (3177.960)	NIL (12,92,13,054)
3) Production during the year	1868.053 (4295.381)	--
4) Sales during the year	2000.247 (7299.393)	19,57,46,707 (49,34,29,023)
5) Closing Stock	267.939 (400.133)	2,36,12,979 (3,32,06,000)

EARNINGS IN FOREIGN CURRENCY – Export - F.O.B. Value of Exports Rs.7,49,33,651/-
(NIL)

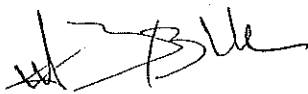
EXPENDITURE IN FOREIGN CURRENCY:

CIF Value of Imports Purchase - Rs. 4,94,61,541/- (NIL)
CIF Value of Imports Expenses - Rs. 8,63,963.45 (25,54,677/-)

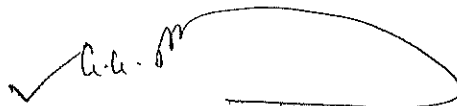
UDIN: 20022412AAAAA08558
For BHUWALKA CASTINGS & FORGING PRIVATE LIMITED

As per our report of even date

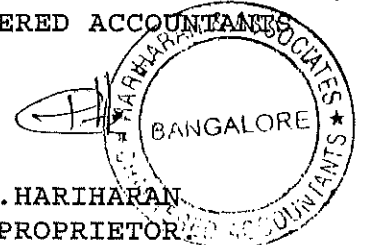
For HARIHARAN & ASSOCIATES,
CHARTERED ACCOUNTANTS



AKSHAY BHUWALKA
DIRECTOR



KISHAN KUMAR BHUWALKA
DIRECTOR



M. HARIHARAN
PROPRIETOR

Membership No. 22412.
Firm Regn.No. 010399S

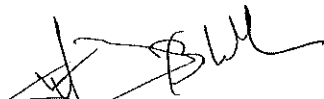
PLACE: BANGALORE.
DATE : 06/08/2020

M/S. BHUWALKA CASTINGS & FORGING PVT.LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH'2020. (AS per Indirect Method of Accounting Standard - 3)

		Amount in Indian Rupees.	
		RS	RS
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax And Extraordinary items		5,301,538
	Adjustments for :		
	Deferred Revenue Expenses written-off		
	Depreciation	11,052,094	
	(Profit)/Loss from sales of Fixed Assets	-	
	Interest charged to Profit & Loss A/c	14,581,009	
	Preliminary Expenses	-	
	Interest Received	(573,349)	
	Dividend Income	-	
	OPERATING CASH PROFIT BEFORE WORKING CAPITAL CHANGES.		25,059,754
	Adjustments for :		30,361,292
	Trade and other Receivables	35,480,277	
	Inventories	20,351,180	
	Trade Payables and other Liabilities	(35,945,214)	
	CASH INFLOW FROM OPERATIONS	19,886,243	
	Direct Taxes Paid/ (Refund)	(2,251,154)	17,635,089
	NET CASH FROM OPERATING ACTIVITIES		47,996,381
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Increase in Fixed Assets(Net)	(4,050,472)	
	Interest Received	573,349	
	Increase Capital	-	
	Dividend Income	-	(3,477,123)
	NET CASH USED IN INVESTING ACTIVITIES		
	CASH FLOW FROM FINANCING ACTIVITIES:		
	Increase/(Decrease) in Long Term Borrowings	(16,968,954)	
	Interest	(14,581,009)	
	NET CASH USED IN FINANCING ACTIVITIES		(31,549,963)
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		12,969,295
	Opening Balance of Cash and Cash Equivalents		7,878,925
	Closing Balance of Cash and Cash Equivalents		20,848,220
			(12,969,295)

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


AKSHAY BHUWALKA
DIRECTOR


KISHAN KUMAR BHUWALKA
DIRECTOR


(M.HARIHARAN)
PROPRIETOR



Membership No-22412.

PLACE : BANGALORE.
DATE : 06.08.2020.