

**BHADRA CASTALLOYS PRIVATE LIMITED**  
CIN: U27200KA2015PTC084976

**BALANCE SHEET**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
		Rs Millions	Rs Millions
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	44.0	44.0
(b) Reserves and surplus	3	1.2	-
		<b>45.2</b>	<b>44.0</b>
<b>2 Non-current liabilities</b>			
(a) Other Long-term Liabilities	4	12.7	29.2
		<b>12.7</b>	<b>29.2</b>
<b>3 Current liabilities</b>			
(a) Short-term Borrowings	5	17.5	-
(b) Trade payables	6	10.1	6.0
(c) Other current liabilities	7	7.7	5.1
(d) Short-term provisions	8	0.1	-
		<b>35.4</b>	<b>11.1</b>
<b>TOTAL</b>		<b>93.3</b>	<b>84.3</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9A	53.7	55.2
(ii) Intangible assets	9B	5.4	6.0
(b) Deferred tax assets (net)	10	0.2	-
(c) Long-term loans and advances	11	1.1	1.2
		<b>60.4</b>	<b>62.4</b>
<b>2 Current assets</b>			
(a) Inventories	12	8.2	2.2
(b) Trade receivables	13	14.9	12.9
(c) Cash and cash equivalents	14	9.4	6.5
(d) Short-term loans and advances	15	0.3	0.3
(e) Other current assets	16	0.1	-
		<b>32.9</b>	<b>21.9</b>
<b>TOTAL</b>		<b>93.3</b>	<b>84.3</b>
See accompanying significant accounting policies and Other notes forming part of the financial statements	1 & 22		

As per our report of even date

**RGN Price & Co**  
Chartered Accountants  
Firm Reg No. 002785S

*(Signature)*  
Sriram Alevoor M  
Partner  
Membership No. 221354

Place: Bangalore  
Date: May 23, 2017

For and on behalf of the Board of Directors

*(Signature)*  
Viraj Naidu  
Director  
DIN: 01284452

*(Signature)*  
K Duraisami  
Director  
DIN: 07241156

**BHADRA CASTALLOYS PRIVATE LIMITED**  
CIN: U27200KA2015PTC084976

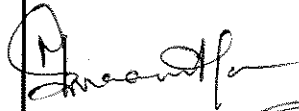
**STATEMENT OF PROFIT AND LOSS**

Particulars		Note No.	For the Year ended March 31, 2017
			Rs Millions
1	Revenue from operations (gross)	17	83.4
	Less: Excise duty	17	9.3
	Revenue from operations (net)		74.1
2	Other income	18	0.4
3	<b>Total revenue (1+2)</b>		<b>74.5</b>
4	<b>Expenses</b>		
	(a) Cost of raw materials and components consumed	19.a	49.4
	(b) Changes in inventories of finished goods and work-in-progress	19.b	(5.4)
	(c) Employee benefits expense	20	8.7
	(d) Finance costs	21	-
	(e) Depreciation and amortisation expense	9C	2.5
	(f) Other expenses	21	17.3
	<b>Total expenses</b>		<b>72.5</b>
5	<b>Profit before tax (3 - 4)</b>		<b>2.0</b>
6	<b>Tax expense:</b>		
	(a) Current tax expense for current year		1.0
	(b) Deferred tax		(0.2)
			<b>0.8</b>
7	<b>Profit for the year (5-6)</b>		<b>1.2</b>
	<b>Earnings per equity share (face value of Rs 10/- each):</b>		
	(a) Basic - Rs.		0.27
	(b) Diluted - Rs.		0.27
	See accompanying significant accounting policies and Other notes forming part of the financial statements	1 & 22	

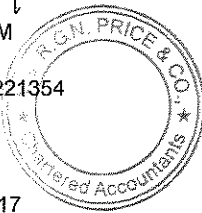
In term of our report of even date

RGN Price & Co  
Chartered Accountants  
Firm Reg No. 002785S

For and on behalf of the Board of Directors

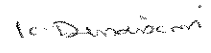


Sriraam Alevoor M  
Partner  
Membership No. 221354





Viraj Naidu  
Director  
DIN: 01284452



K Duraisami  
Director  
DIN: 07241156

Place: Bangaluru  
Date: May 23, 2017



**BHADRA CASTALLOYS PRIVATE LIMITED**  
CIN: U27200KA2015PTC084976

**CASH FLOW STATEMENT**

Rs Millions

	Particulars	For the Year ended March 31, 2017		For the period ended March 31, 2016	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
	Net profit before tax		2.0		-
	<u>Adjustments for:</u>				
	Depreciation and amortization	2.5			
	Interest Income	(0.4)			
	Net unrealized exchange (gain) / loss	-	2.1		-
	<b>Operating Profit before working capital changes</b>		<b>4.1</b>		<b>-</b>
	<u>Adjustments for (increase) / decrease in operating assets:</u>				
	Inventories	(6.0)		(2.2)	
	Trade Receivables	(2.0)		(12.9)	
	Short term loans and advances	-		(0.3)	
	Other Current Assets	(0.1)		(1.2)	
	Long term loans and advances	0.1		-	
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
	Trade payables	4.1		6.0	
	Other current and non current Liabilities	1.8		-	
	Provisions	-		-	
	<b>Net changes In Working Capital</b>		<b>(2.1)</b>		<b>(10.5)</b>
	<b>Cash generated from operations</b>		<b>2.0</b>		<b>(10.5)</b>
	Income Tax paid ( net of refunds )		(0.9)		-
	<b>Net cash flow from / (used) in operating activities</b>		<b>1.1</b>		<b>(10.5)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
	Capital expenditure on fixed assets including capital advances	(3.4)		(27.0)	
	Proceeds from sale of fixed assets	3.9		-	
	Paid for Asset Purchase agreement	(16.5)		-	
	Interest received	0.3		-	
	<b>Net cash flow from / (used) investing activities</b>		<b>(15.7)</b>		<b>(27.0)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
	Issue of Shares			44.0	
	Proceeds from Long Term Borrowing	17.5		-	
	<b>Net cash used in financing activities</b>		<b>17.5</b>		<b>44.0</b>
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS ( A+B+C)</b>		<b>2.9</b>		<b>6.5</b>
	Cash and Cash Equivalents as at March 31, 2016 ( As per note 14)		6.5		-
	Cash and Cash Equivalents as at March 31, 2017 ( As per note 14)		9.4		6.5
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2.9</b>		<b>6.5</b>
	<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
	Cash and cash equivalents (Refer Note 14)		9.4		6.5
	Less: Bank balance not Considered as Cash & cash equivalents as defined in AS 3				
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:				
	(i) In other deposit accounts				
	- original maturity more than 3 months		-		-
	(ii) In earmarked accounts (Refer Note (i) below)				
	- Unpaid dividend accounts		-		-
	<b>Cash and cash equivalents at the end of the period</b>		<b>9.4</b>		<b>6.5</b>
	<b>Cash and cash equivalents at the end of the period</b>				
	Comprises:				
	(a) Cash on hand		-		-
	(b) In current accounts		1.4		6.5
	(c) In deposit accounts with original maturity of less than three months		8.0		-
			<b>9.4</b>		<b>6.5</b>

**Notes:**

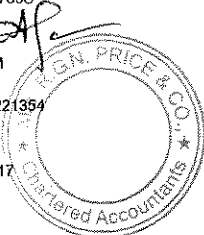
(i) These earmarked account balances with banks can be utilized only for the specific identified purposes.

In terms of our report of even date

RGN Price & Co  
Chartered Accountants  
Firm Reg No. 002785S

*Srinam Alevor M*  
Srinam Alevor M  
Partner  
Membership No. 221354

Place: Bangalore  
Date: May 23, 2017



For and on behalf of the Board of Directors

*Viraj Naidu*

*K. Duraisami*

Viraj Naidu  
Director  
DIN: 01284452

K Duraisami  
Director  
DIN: 07241156

## BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31<sup>st</sup> March, 2017

### Note 1 Significant accounting policies

#### 1.1 Basis of accounting and presentation of financial statements:

The financial statements of Bhadra Castalloys Private Limited ('the Company') have been prepared in accordance with the Generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies act, 1956, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

#### 1.2 Use of estimates

The preparation of the financial statements are in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 1.3 Fixed assets

##### a) Tangible

Tangible fixed asset are capitalized at acquisition cost which includes incidental expenses incurred to bring the asset ready for its intended use.

##### b) Intangible

Computer software, goodwill, except standard utility software packages which are not integral part of the hardware are classified as Intangible assets. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Goodwill is amortized over a period of ten years.

##### c) Capital work-in- progress

Capital work-in-progress is carried at cost.

#### 1.4 Depreciation and amortization

Depreciation on tangible fixed assets has been provided on the straight-line method

Intangible assets in form of computer software will be amortized over their estimated useful life on straight line method at the rate of 25 % p.a.

Goodwill will be amortized over a period of ten years as per AS 26

#### 1.5 Inventories

Raw materials, Components, Work-in-Progress, Finished goods and Stock-in-trade are valued at lower of cost and net realizable value. Cost is ascertained on FIFO basis .Cost includes cost incurred in bringing the goods to the current location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.



**1.6 Revenue recognition**

Revenue from production of foundry castings is recognized only when all significant risk are transferred. Sales includes excise duty and are stated net of discounts, other taxes and sales returns. Revenue from services are recognized when services are rendered.

**1.7 Other income**

Interest income is recognized on accrual basis.

**1.8 Foreign currency transactions and translations**

Transactions in foreign currencies are recognized at exchange rate prevailing on the date of the transaction. All monetary assets and monetary liabilities denominated in foreign currency outstanding as at the Balance Sheet date are translated at the year end exchange rates. Non-monetary items are carried at historical cost. Exchange differences arising on settlement / re statement of foreign currency monetary assets and liabilities will be recognized as income or expense in the statement of profit and loss.

The Company will use forward exchange contract to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such a forward exchange contract are amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such contracts is recognized as income or expense in the period in which such cancellation or renewal is made

**1.9 Impairment of assets**

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have been decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

**1.10 Employee benefits**

**(a) Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave encashment etc. are recognized in the period in which the employee renders the related service.

**(b) Post – employment benefits**

**i. Defined Contribution Plans:** The Company's Provident Fund Scheme, and Employees' State Insurance are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

**ii. Defined benefit plans:** The Present Value of the Obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method. The Objective of this method is to spread the cost of each employee's benefits over the period that the employee works for the Company. The allocation of cost of benefits to each year of service is achieved indirectly by allocating projected benefits to years of service. The cost allocated to each year of service is then the value of the projected benefit allocated to that year



The Present Value of the Obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method. The Objective of this method is to spread the cost of each employee's benefits over the period that the employee works for the Company. The allocation of cost of benefits to each year of service is achieved indirectly by allocating projected benefits to years of service. The cost allocated to each year of service is then the value of the projected benefit allocated to that year.

The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the term of related obligations.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on the net basis.

### **1.11 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **1.12 Provisions and Contingencies**

#### **a) Provision for warranty**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

#### **b) Other**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



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## BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31<sup>st</sup> March, 2017

### 1.13 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals under such leases are charged to statement of profit and loss.

### 1.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash for the purpose of cash flow statement comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Management in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of the relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses/assets / liabilities".

### 1.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### 1.17 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013. Based on the nature of activities and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.



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**BHADRA CASTALLOYS PRIVATE LIMITED**  
Notes forming part of the financial statements for year ended March 31, 2017

Note 2 Share capital	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Authorised 5,000,000 Equity shares of Rs. 10 each	50.0	50.0
(b) Issued, subscribed and fully paid up: 4,400,000 Equity shares of Rs. 10 each	44.0	44.0
<b>Total</b>	<b>44.0</b>	<b>44.0</b>

**Notes :**

**i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :**

No of shares outstanding at the beginning of the year	4,400,000	4,400,000
Movement during the year	-	-
No of shares outstanding at the end of the year	4,400,000	4,400,000
<b>Total</b>	<b>4,400,000</b>	<b>4,400,000</b>
Share capital at the beginning of the year (Rs. Million)	44.0	44.0
Movement during the year (Rs. Million)	-	-
Share capital at the end of the year (Rs. Million)	44.0	44.0
<b>Total</b>	<b>44.0</b>	<b>44.0</b>

**iii) Details of rights, preferences and restrictions in respect of equity shares :**

The Company has one class of Shares referred to as Equity Shares with par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the share holders.

**iii) Details of shares held by holding company**

44,00,000 Equity Shares ( 100% ) Wholly owned by Disa India Limited, the holding company (including beneficial holding )

Note 3 Reserves and surplus	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Surplus in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit for the year	1.2	-
Movements during the year	-	-
Closing balance	1.2	-
<b>Total</b>	<b>1.2</b>	<b>-</b>

Note 4 Other Long Term Liabilities	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Other Payables		
Payables as per Asset purchase agreement	12.5	29.2
(b) Provision for employee benefits - Gratuity	0.2	-
<b>Total</b>	<b>12.7</b>	<b>29.2</b>

Note 5 Short Term Borrowings	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Loan from Holding company (repayable on demand)	17.5	-
<b>Total</b>	<b>17.5</b>	<b>-</b>

Note 6 Trade payables	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Total outstanding due to micro enterprises and small enterprises	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	10.1	6.0
<b>Total</b>	<b>10.1</b>	<b>6.0</b>

Note 7 Other current liabilities	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Other payables		
(i) Statutory remittances	0.5	0.1
(ii) Payables on purchase of fixed assets	0.8	-





**BHADRA CASTALLOYS PRIVATE LIMITED**

Notes forming part of the financial statements for year ended March 31, 2017

(iii) Contractually reimbursable expenses	4.1	-
(iv) Advances from customers	0.1	-
(v) Payables as per asset purchase agreement	-	5.0
(vi) Employee benefit payables	0.9	-
(vii) Other Payables	1.3	-

<b>Total</b>	<u>7.7</u>	<u>5.1</u>
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**Note 8 Short-term provisions**

(a) Provision - others:  
(i) Provision for tax

	As at March 31, 2017	Rs Millions As at March 31, 2016
(i) Provision for tax	0.1	-
<b>Total</b>	<u>0.1</u>	<u>-</u>

**Note 10 Deferred tax Asset**

(a) Tax effect of items constituting deferred tax (liability)

(i) On difference between book balance and tax balance of Fixed assets

	(0.7)	-
	<u>(0.7)</u>	<u>-</u>

(b) Tax effect of items constituting deferred tax assets

(i) Provision for compensated absences, gratuity and other employee benefits  
(ii) Others

(i) Provision for compensated absences, gratuity and other employee benefits	0.2	-
(ii) Others	0.7	-
	<u>0.9</u>	<u>-</u>

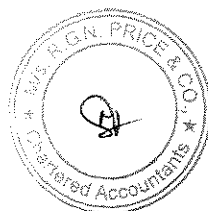
**Net deferred tax asset**

	<u>0.2</u>	<u>-</u>
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**Note 11 Long-term loans and advances**  
(Unsecured, considered good)

(a) Security deposits

	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Security deposits	1.1	1.2
<b>Total</b>	<u>1.1</u>	<u>1.2</u>



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**BHADRA CASTALLOYS PRIVATE LIMITED**

Notes forming part of the financial statements for year ended March 31, 2017

Note 12 Inventories (At lower of cost and net realisable value)	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Raw materials and Components	2.8	2.2
(b) Work-in-progress	5.4	-
<b>Total</b>	<u>8.2</u>	<u>2.2</u>

Note (i) The nature of Company's operations are such that individual items in work-in-progress are not significant to be disclosed separately

Note 13 Trade receivables	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Other trade receivables :		
Secured, considered good	-	-
Unsecured, considered good	14.9	12.9
Unsecured, considered doubtful	-	-
	<u>14.9</u>	<u>12.9</u>
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<u>14.9</u>	<u>12.9</u>

Note 14 Cash and cash equivalents	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Cash on hand	-	-
(b) Balances with banks		
(i) In current accounts	1.4	6.5
(ii) In deposit accounts with original maturity of less than three months	8.0	-
	<u>9.4</u>	<u>6.5</u>
<b>Total</b>	<u>9.4</u>	<u>6.5</u>

Note 15 Short-term loans and advances (Unsecured, considered good)	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Prepaid expenses	0.3	-
<b>Total</b>	<u>0.3</u>	<u>0.3</u>

Note 16 Other current assets	As at March 31, 2017	Rs Millions As at March 31, 2016
(a) Interest accrued on deposits	0.1	-
<b>Total</b>	<u>0.1</u>	<u>-</u>



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BHADRA CASTALLOYS PRIVATE LIMITED  
Notes forming part of the financial statements for year ended March 31, 2017

Note 9A Tangible Assets

Particulars	Gross Block					Accumulated Depreciation			Net Block		#REF!
	Balance as at March 31, 2016	Additions	Disposals / Adjustments	Balance as at March 31, 2017	Balance as at March 31, 2016	Depreciation/ amortisation expense for the year (period)	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2016		
Owned:											
(a) Freehold land	31.9	-	2.2	29.7	-	-	-	29.7	31.9		
	-	(31.9)	-	(31.9)	-	-	-	(31.9)	-		
(b) Buildings	11.1	3.0	0.8	13.3	-	0.8	-	12.5	11.1		
	-	(11.1)	-	(11.1)	-	-	-	(11.1)	-		
(c) Plant and Equipment	10.5	0.8	0.7	10.6	-	1.0	-	9.6	10.5		
	-	(10.5)	-	(10.5)	-	-	-	(10.5)	-		
(d) Furniture and Fixtures	-	-	-	-	-	-	-	-	-		
(e) Vehicles	1.7	-	0.1	1.6	-	0.1	-	1.5	1.7		
	-	(1.7)	-	(1.7)	-	-	-	(1.7)	-		
(f) Office equipment	-	0.1	-	0.1	-	-	-	-	0.1		
(g) Patterns, Tools, Jigs and Fixtures	-	-	-	-	-	-	-	-	-		
(h) Computers	-	-	0.3	0.3	-	-	-	-	0.3		
Total	55.2	4.2	3.8	55.6	1.9	1.9	-	53.7	55.2		
Previous period	-	55.2	-	55.2	-	-	-	-	-		

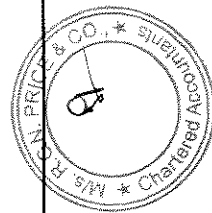
Note : Adjustments are reduction in the value of assets due to decapitalisation of expenditure incurred prior to commencement of business on 1st April 2016

Note 9B Intangible Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block		Rs. Lakhs
	Balance as at March 31, 2016	Additions	Disposals / Adjustments	Balance as at March 31, 2017	Balance as at March 31, 2016	Depreciation/ amortisation expense for the year (period)	Eliminated on disposal of assets	Balance as at March 31, 2017	
Goodwill	6.0	-	-	6.0	-	0.6	-	5.4	6.0
Total	6.0	-	-	6.0	-	0.6	-	5.4	6.0
Previous period	-	6.0	-	6.0	-	-	-	6.0	-

Note 9C - Depreciation and amortization expenses

Particulars	#REF!	
	For the Year ended March 31, 2017	For the period ended March 31, 2016
Depreciation for the year on tangible assets as per Note 9 A	1.9	-
Amortisation for the year on intangible assets as per Note 9 B	0.6	-
Total	2.5	-



*[Handwritten signature]*

**BHADRA CASTALLOYS PRIVATE LIMITED**  
**Notes forming part of the financial statements for year ended March 31, 2017**

	Rs. Millions For the year ended March 31, 2017
<b>Note 17 Revenue from operations</b>	
(a) Sale of products (Refer note (i) below)	83.4
	<u>83.4</u>
Less Excise Duty	9.3
<b>Total</b>	<u>74.1</u>

<b>Note (i) Sale of products comprises :</b>	
Parts of machinery	83.4
<b>Total</b>	<u>83.4</u>

	Rs. Millions For the year ended March 31, 2017
<b>Note 18 Other income</b>	
(a) Interest income on bank deposits	0.4
<b>Total</b>	<u>0.4</u>

	Rs. Millions For the year ended March 31, 2017
<b>Note 19.a Cost of raw materials and components consumed</b>	
(a) Opening Stock	2.2
(b) Add : Purchases	50.0
(c) Less :Closing Stock	<u>2.8</u>
(d) Cost of raw materials and components consumed including packing materials	<u>49.4</u>
Note :The nature of Company's operations are such that further breakdown into broad heads are not significant	

<b>Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	
<u>Inventories at the end of the year</u>	
Work-in-progress	5.4
<b>Sub Total</b>	<u>5.4</u>
 <u>Inventories at the beginning of the year</u>	
Work-in-progress	-
<b>Sub Total</b>	<u>-</u>
<b>Total</b>	<u>(5.4)</u>

	Rs. Millions For the year ended March 31, 2017
<b>Note 20 Employee benefits expense</b>	
(a) Salaries and wages	7.4
(b) Contributions to provident and other funds	0.9
(c) Staff welfare expenses	<u>0.4</u>
<b>Total</b>	<u>8.7</u>

*[Handwritten signature]*



BHADRA CASTALLOYS PRIVATE LIMITED  
Notes forming part of the financial statements for year ended March 31, 2017

	Rs. Millions
<b>Note 21 Other expenses</b>	<b>For the year ended March 31, 2017</b>
(a) Power and fuel	6.7
(b) Rent	0.1
(c) Repairs and maintenance - machinery	0.5
(d) Repairs and maintenance - others	0.1
(e) Insurance	0.1
(f) Rates and taxes	0.1
(g) Travelling and conveyance	0.3
(h) Legal and professional charges	0.3
(i) Security expenses	1.6
(j) Telephone , postage and courier	0.1
(k) Freight outwards	1.0
(l) Payments to auditors	0.1
(m) Advertisement and sales promotion	0.1
(n) Miscellaneous expenses	6.2
<b>Total</b>	<b>17.3</b>
<b>Note (i) Payments to auditors comprises :</b> (Net of service tax, where applicable) Statutory audit	   <b>0.1</b>
<b>Sub Total</b>	<b>0.1</b>



Particulars	As at March 31, 2017	As at March 31, 2016
Note 22 Additional information to the financial statements		

22.1 Contingent Liabilities and Commitments

- -

22.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Amount due and remaining unpaid

- -

22.4 Details of consumption of imported and indigenous materials	Year ended March 31, 2017 (Rs. Millions)	Year ended March 31, 2017	Year ended March 31, 2016 (Rs. Millions)	Year ended March 31, 2016
Imports	-	0%	-	0%
Indigenous	49.4	100%	-	0%
Total	49.4	100%	-	0%

Disclosures under Accounting Standards

22.5 Disclosure Pursuant to AS-15 (Revised)

a) Defined Contribution Plans

The Company makes Provident Fund and Employees state Insurance Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.0.3 Million for Provident Fund contributions and Rs.0.1 Million for Employees State insurance scheme contribution as on 31st March 2017 in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes).



b) Defined Benefit Plans

The Company offers gratuity and encashment of leave benefit to its employees.

(i) Gratuity

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Components of employer expense:</b>		
Current service Cost	0.2	-
Interest Cost	-	-
Expected return on plan assets	-	-
Actuarial losses / (gains)	-	-
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>0</b>	<b>-</b>

Actual contribution and benefit payments for the year :	Year ended March 31, 2017	Year ended March 31, 2016			
Actual benefit payments	-	-			
Actual contributions	-	-			
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>					
Present value of defined benefit obligation	-	-			
Fair Value of plan assets	-	-			
<b>Funded status Surplus / (Deficit )</b>					
Unrecognised past service costs	-	-			
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>					
<b>Change in defined benefit obligation:</b>					
Present value of defined benefit obligation at beginning of year	-	-			
Service cost	0.2	-			
Interest cost	-	-			
(Benefits paid)	-	-			
Net transfer in / (out)	-	-			
Actuarial Loss/(Gain)	-	-			
Present value of defined benefit obligation at end of year	-	-			
<b>Changes in Fair value of Plan Assets :</b>					
Plan assets at beginning of the year	-	-			
Expected return on plan assets	-	-			
Actual Contributions	-	-			
Transfer in / (outs)	-	-			
(Benefits paid)	-	-			
Actuarial Gain / (Loss)	-	-			
Plan assets at end of the year	-	-			
<b>Actual return on plan assets</b>					
<b>Composition of the plan assets is as follows (Refer note(iii))</b>					
Government / approved security	-	NA			
NCD/Bonds	-	NA			
Equity Shares	-	NA			
Fixed Deposit	-	NA			
<b>Total</b>	<b>-</b>	<b>NA</b>			
<b>Reconciliation of Net Liability :</b>					
Present value of defined benefit obligations	-	-			
Less : Fair value of plan assets	-	-			
<b>Funded Status - ( deficit ) / surplus</b>	<b>-</b>	<b>-</b>			
<b>Actuarial Assumptions :</b>					
Discount rate	8%	NA			
Expected long term rate of return of assets	0%	NA			
Rate of compensation increase for the first five years	6%	NA			
Rate of compensation increase for the subsequent years	6%	NA			
<b>Attrition</b>					
20-30 Years	10%	NA			
31-45 Years	8%	NA			
46-58 Years	7%	NA			
Mortality : Indian Assured Lives Mortality (2006-08) Modified Ultimate					
<b>Experience Adjustments</b>	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	<b>Year ended March 31, 2013</b>
Present value of defined benefit obligation	-	-	-	-	-
Fair value of Plan assets	-	-	-	-	-
<b>Funded Status - ( deficit ) / surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plan Liabilities	-	-	-	-	-
Plan Assets	-	-	-	-	-

Note :

i)The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

ii)The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



**Bhadra Castalloys Private Limited**  
Notes forming part of the financial statements for period ended 31st March, 2017

**22.3 Related Party transactions**

**a) Details of related parties**

Description of relationship	Name of Related Parties
Ultimate Holding Company	DISA Holding AS DISA Holding AG
Holding Company	DISA India Limited
Fellow Subsidiary	DISA Holding AG DISA Holding A/S Norican Global A/S Norican A/S Norican Holdings ApS Norican Group ApS DISA Holding II A/S Wheelabrator Czech s.r.o. DISA KK DISA Limited DISA Machinery Limited DISA Management Services ApS DISA Trading (Shanghai) Co., Ltd. DISA Technologies Private Limited WGHUK Holdings Limited WGHUK Limited Wheelabrator Technologies (UK) Limited Wheelabrator Group Holding GmbH Walther Trowal SARL DISA Industrieanlagen GmbH Wheelabrator Group GmbH Wheelabrator OFT GmbH Wheelabrator-Berger Stiftung GmbH OT Oberflächentechnik Maschinen und Werkzeuge Handels GmbH Astratur Composites SAS Wheelabrator Schlick Sp. Z.o.o. Wheelabrator Group SAS DISA Industrie AG DISA Industries A/S Blast Cleaning Techniques Ltd Naltes GmbH Wheelabrator Group NV Wheelabrator Group SLU Wheelabrator Group Limited WGH Holding Corp. WG Global LLC Wheelabrator Group, Inc. WG Plus de Mexico S de R, I de CV WG Plus Servicios S de R, I de V DISA Holding LLC DISA Industries, Inc. Castalloy, Inc. Schmidt Manufacturing, Inc. Bob Schmidt, Inc.
Key Management Personnel (KMP)	K. Duraisami Viraj Naidu

Rs Millions

**b) Details of Related Party Transaction**

NAME OF THE RELATED PARTY	DISA INDIA LIMITED
Reimbursement of Expenses	2.1 (2.1)
Loan and Advances	17.5
Purchase of goods	(-) 0.2 (-)
Subscription to Equity shares	- (4.4)
Sale of Goods	1.4 (-)
<b>Balances outstanding as at year end</b>	
Trade Payable	4.1 (2.1)
Trade Receivable	0.8
Loans and advances	- 17.5 -





22.6 The Company operates only in one Business segments i.e., manufacture of machinery and machinery parts.

	Year ended March 31, 2017	Year ended March 31, 2016
22.7 Earnings per share		
Net Profit for the year.	1.2	-
Number of equity shares (in Numbers)	4.4	-
Basic and diluted earnings per share (Rs.)	0.27	-

22.8 Disclosure on Specified bank notes

	In Rs.		
	SBNs (Specified Bank Notes' )	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	2,411	2,411
(+) Permitted receipts	-	55,000	55,000
(-) Permitted payments	-	56,842	56,842
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	569	569

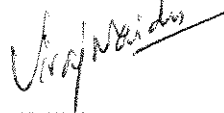
22.9 Since the Company did not have operations in previous year, no Statement of Profit and Loss has been prepared in the previous year

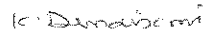
For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No. 002785 S

  
Shyam Alevoor M  
Partner  
Membership No. 221354  
Place : Bangalore  
Date May 23, 2017



For and on behalf of the Board of Directors

  
Viraj Naidu  
Director  
DIN: 01284452

  
Duraisami K.  
Director  
DIN: 07241156



**R.G.N. PRICE & CO.**  
**Chartered Accountants**

Phone	: 23440331	No.19 Ground Floor,
Telefax	: 23443158	Serpentine Road,
e-mail	: <a href="mailto:priceblr@gmail.com">priceblr@gmail.com</a>	Kumara park - West
Head Office	: Chennai	Bangalore – 560 020
Offices at	: Chennai, Mumbai, Ernakulam, Quilon, Calicut and New Delhi	
Ref. No.	:	23 <sup>rd</sup> May 2017

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s. Bhadra Castalloys Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. Bhadra Castalloys Private Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone 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 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 financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in



the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 the affairs of the Company as at 31st March 2017, 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 in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (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 and with the returns received from the branches not visited by us.
  - (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<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the 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 B".
  - (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 does not have any pending litigations and therefore no disclosure to this effect is warranted.
- ii. The Company does not have any long-term contracts including derivatives for which provision is mandatory for any material losses.
- iii. There were no dues, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note No. 22.8 to its financial statements as to holdings as well as dealings with Specified Bank Notes during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with books of accounts maintained by the Company.



For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration Number – 002785 S

A handwritten signature in black ink, appearing to read "Sriraam Alevoor M".

Sriraam Alevoor M  
Partner  
Membership Number - 221354

**Annexure A referred to in Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31<sup>st</sup> March 2017.**

- (i) In respect of fixed assets:
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the Management in the previous year, which in our opinion is commensurate to its size and nature of its operations. There were no material discrepancies noticed on such verification.
  - (c) The title deeds of the immovable properties are held in the name of the Company.
  
- (ii) The Management has physically verified the inventories at the end of the year which in our opinion is commensurate to the size of the business and nature of its operations. No material discrepancies were noticed on such physical verification.
  
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered under register maintained under section 189 of the Companies Act, 2013.
  
- (iv) The Company has not made any loans, investments, guarantees and security and therefore the provisions of Section 185 and 186 of the Act are not applicable, hence sub-clause (v) of Clause 3 of the Order does not apply.
  
- (v) The Company has not accepted any deposits and hence reporting under sub-clause (v) of clause 3 of the Order does not apply.
  
- (vi) The maintenance of cost records specified by the central government under sub section (1) of the section 148 of the Companies Act 2013 is not applicable to the Company for the period ended 31<sup>st</sup> March 2017 and accordingly reporting under sub-clause (vi) of clause 3 of the Order does not apply.
  
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) There are no income tax or sales tax or service tax or duty of custom or duty of the excise or value added tax that have not been deposited on account of any dispute.
  
- (viii) The Company has not taken any loan or borrowing or debentures from any financial institution, bank, government or debenture holders and hence reporting under sub-clause (viii) of clause 3 of the Order does not apply
  
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the period so reporting under sub clause (ix) of the Order does not apply.



- (x) Based on the information and explanations received by us, we report there was no fraud by the Company or any fraud on the Company by its officers or employees that has been noticed or reported during the period.
- (xi) The Company has not paid any managerial remuneration during the period and hence reporting under sub- clause (xi) of the Order does not apply.
- (xii) Since the Company is not a Nidhi Company, reporting under sub clause (xii) of clause 3 of the Order does not apply.
- (xiii) Based on the information and explanation given to us and our examination of records, we report that all transaction with the related parties are in compliance with section 177 and 188 of the Companies Act 2013 and the same has been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under sub clause (xiv) of clause 3 of the Order does not apply.;
- (xv) Based on the information and explanations given to us and our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him during the period.
- (xvi) Based on the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934



For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration Number – 002785 S

Sriraam Alevoor M  
Partner  
Membership Number - 221354

**Annexure B referred to in Clause (h) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31<sup>st</sup> March 2017.**

We have audited the internal financial controls over financial reporting of **M/s. Bhadra Castalloys Private Limited** ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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. 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 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 Companies Act, 2013.

**Auditor's Responsibility**

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 and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A 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. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

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**

According to the information and explanations given to us and based on our audit, have, in all material respects, an adequate internal financial control over financial reporting, and such internal financial control over financial reporting were operating effectively as at March 31, 2017 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 of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.



For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration Number – 002785 S

A handwritten signature in black ink, appearing to read "Sriraam Alevoor M".

Sriraam Alevoor M  
Partner  
Membership Number - 221354