

BHADRA CASTALLOYS PRIVATE LIMITED
Balance Sheet as at 31st March, 2016

Particulars		Note No.	As at 31st March, 2016
			Rs Lakhs
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2	440
			440
2	Non-current liabilities		
	(a) Other long-term liabilities	3	292
			292
3	Current liabilities		
	(a) Trade payables	4	60
	(b) Other current liabilities	5	51
			111
	TOTAL		843
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	6A	552
	(ii) Intangible assets	6B	60
	(b) Long-term loans and advances	7	12
			624
2	Current assets		
	(a) Inventories	8	22
	(b) Trade receivables	9	129
	(c) Cash and bank balances	10	65
	(d) Short-term loans and advances	11	3
			219
	TOTAL		843
See accompanying notes forming part of the financial statements			

In term of our report of even date

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

R M Kamath

R M Kamath
Partner
Membership No. - 022907



For and on behalf of the Board of Directors

Viraj Naidu

Viraj Naidu
Director

K. Duraisami

K Duraisami
Director

Place: Bangalore
Date : May 26, 2016


BHADRA CASTALLOYS PRIVATE LIMITED
Cash flow statement for the period ended 31st March, 2016

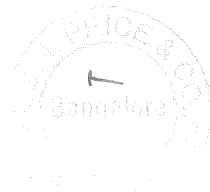
	Particulars	Note No.	For the period ended 31st March, 2016	
A	CASH FLOW FROM OPERATING ACTIVITIES :			
	Net profit before tax			-
	<u>Adjustments for (increase) / decrease in operating assets:</u>			
	Inventories		(22)	
	Trade Receivables		(129)	
	Short term loans & advances		(3)	
	Other Current Assets		(12)	
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>			
	Trade payables		60	
	Net changes in Working Capital			(105)
	Cash generated from operations			(105)
	Income Tax paid (net of refunds)			-
	Cash flow before extra-ordinary items			(105)
	Extraordinary items			-
	Net cash flow used in operating activities			(105)
B	CASH FLOW FROM INVESTING ACTIVITIES :			
	Capital expenditure on fixed assets including capital advances		(270)	
	Net cash flow from investing activities			(270)
C	CASH FLOW FROM FINANCING ACTIVITIES :			
	Issue of Shares		440	
	Net cash used in financing activities			440
D	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)			65
	Cash and Cash Equivalents as at 31st March 2015	10		-
	Cash and Cash Equivalents as at 31 March 2016 (As per note 10)	10		65
	NET INCREASE IN CASH AND CASH EQUIVALENTS			65
	Reconciliation of Cash and cash equivalents with the Balance Sheet:			
	Cash and cash equivalents at the end of the period			65
	Cash and cash equivalents at the end of the period			
	Comprises:			
	(a) Cash on hand			-
	(b)(i) In current accounts (Note 1)			65
	(ii) In demand deposit accounts			-
				65

Notes: (1) These earmarked account balances with banks can be utilized only for the specific identified purposes.

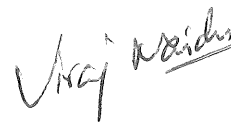
In terms of our report attached

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


R M Kamath
Partner
Membership No. - 022907



For and on behalf of the Board of Directors



Viraj Naidu
Director



K Duraisami
Director

Place: Bangalore
Date : May 26, 2016

BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31st March, 2016

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.

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 on purchase of fixed assets will be amortised during the period of five years, starting from 2016-17.

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.



BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31st March, 2016

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. Commission Income and export incentives are recognized on accrual basis.

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 uses 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, Superannuation Fund 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 Company has taken a Group Gratuity Policy and Group Leave Encashment Scheme with LIC of India. These constitute the Defined Benefit Plans of the Company.



BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31st March, 2016

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.



BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31st March, 2016

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.



BHADRA CASTALLOYS PRIVATE LIMITED
Notes forming part of the financial statements for period ended 31st March, 2016

Note 2 Share capital

Particulars	Rs. Lakhs
	As at 31st March,2016
(a) Authorised 50,00,000 Equity shares of Rs.10 each	500
(b) Issued, subscribed and fully paid up: 44,00,000 Equity shares of Rs.10 each	440
Total	440

Notes :

i)Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :
During the year Company issued 44,00,000 equity shares of face value Rs.10 each at par

ii)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.

The Equity Shareholders are entitled to receive dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of Interim Dividend.

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 Non-current liabilities

Particulars	As at 31st March,2016
(a) Other payables (i) Payables as per Asset purchase agreement	292
Total	292

Note 4 Trade payables

Particulars	As at 31st March,2016
Trade payables:	
Total outstanding dues of Micro & Small enterprises (Refer Note 12.3)	-
Total outstanding dues of enterprises other than Micro & Small enterprises	60
Total	60

Note 5 Other current liabilities

Particulars	As at 31st March,2016
(a) Other payables (i) Statutory remittances (ii) Payables as per asset purchase agreement	51
Total	51

Note 7 Long-term loans and advances

Particulars	As at 31st March,2016
(Unsecured, considered good)	
(a) Security deposits	12
Total	12

BHADRA CASTALLOYS PRIVATE LIMITED
Notes forming part of the financial statements for period ended 31st March, 2016
Note 6A. Tangible Assets

Particulars	Gross Block				Accumulated Depreciation				Rs. Lakhs		
	Opening balance as on 30th December 2015	Additions	Disposals	Adjustment	Balance as at 31st March, 2016	Opening balance as on 30th December 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Adjustment	Balance as at 31st March, 2016	Balance as at 31st March, 2016
Owned:											
(a) Freehold land *	-	319	-	-	319	-	-	-	-	-	319
(b) Buildings *	-	111	-	-	111	-	-	-	-	-	111
(c) Plant and Equipment *	-	105	-	-	105	-	-	-	-	-	105
(e) Vehicles *	-	17	-	-	17	-	-	-	-	-	17
Total	-	552	-	-	552	-	-	-	-	-	552

* Cost of the Assets include value of the assets given by an independent valuers and the expenditure incurred in bringing the assets to its present condition and location as per Accounting Standard 10.

Note 6B Intangible Assets

Particulars	Gross Block			Accumulated Depreciation			Rs. Lakhs				
	Opening balance as on 30th December 2015	Additions	Disposals	Adjustment	Balance as at 31st March, 2016	Opening balance as on 30th December 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Adjustment	Balance as at 31st March, 2016	Balance as at 31st March, 2016
Goodwill **	-	60	-	-	60	-	-	-	-	-	60
Total	-	60	-	-	60	-	-	-	-	-	60

** Refer Note 12.2 under additional information to the financial statements



BHADRA CASTALLOYS PRIVATE LIMITED
Notes forming part of the financial statements for period ended 31st March, 2016

Note 8 Inventories
(At lower of cost and net realisable value)

Particulars	As at 31st March, 2016
(a) Raw materials and Components	22
Total	22

Note 9 Trade receivables

Particulars	As at 31st March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	129
Total	129

Note 10 Cash and bank balances

Particulars	As at 31st March, 2016
A) Cash and Cash Equivalents (1) Cash on hand	-
(B) Balances with banks (i) In current accounts	65
Total	65

Note 11 Short-term loans and advances

Particulars	As at 31st March, 2016
(a) Prepaid expenses	-
(b) Balances with government authorities (i) Excise , CENVAT (ii) Service tax	1 2
Total	3

Note 12 - Additional information to the financial statements

12.1 Bhadra Castalloys Private Limited is incorporated on 30th December 2015 as a wholly owned subsidiary of DISA India Limited, a leading equipment manufacturer in India offering advanced foundry & surface preparation process technology.

12.2 Note on Goodwill

In terms of the Asset Purchase Agreement signed on February 19, 2016 between Bhadra Castalloys Private Limited and Sree Rajarajeshwari Foundry (a proprietary concern) situated at C-15, Industria Aea, Lower Hultha, Bhadravati - 577301, the former acquired the assets and current liabilities of the Foundry, without assigning individual values thereof, for a total consideration of Rs.700 lakhs subject to certain adjustments in case of non-achievement of certain conditions. The details of assets mentioned here under are considered in the books of account based on the fair market valuation as on 31st March 2016 done by independent valuers.

Particulars	Amount (Rs.)	Amount (Rs. Lakhs)
a. Fixed assets		490
Land	279	
Building	97	
Plant & Machinery	98	
Vehicles	16	
b. Net Working capital		141
Inventories	22	
Trade receivables	129	
Loans and advances	12	
Other current assets	1	
Trade payables	(23)	
c. (Capital Reserve) / Goodwill		60
d. Purchase consideration (net of adjustment for working capital change)		691

12.3 Information regarding Micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

12.4 Contingent liabilities - There are no contingent liabilities as on the date of the balance sheet.

12.5 Payment to auditors

For the period ended 31st March 2016

For Statutory audit

0.5

12.6 Since the figures are presented in Rs. lakhs, any amounts less than Rs.0.50 lakhs is indicated as 'zero' in the financial statements.

12.7 The financial statement is for the period from December 30th 2015 till 31st March 2016 and hence, there are no comparative figures relating to previous year.

Bangalore

BHADRA CASTALLOYS PRIVATE LIMITED

Notes forming part of the financial statements for period ended 31st March, 2016

12. Related Party transactions

a) Details of related parties

Description of relationship	Name of Related Parties
Ultimate Holding Company	DISA Holding AS DISA Holding AG Norican Group APS.
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 WGH UK Holdings Limited WGH UK 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 Matrasur Composites SAS Wheelabrator Schlick Sp. Z.o.o. Wheelabrator Group SAS DISA Industrie AG DISA Industries A/S Blast Cleaning Techniques Ltd Nolten 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 Lakhs

b) Details of Related Party Transaction

NAME OF THE RELATED PARTY	DISA INDIA LIMITED
Reimbursement of Expenses	21
Subscription to Equity shares	440
Balances outstanding as at year end	
Trade Payable	21



For and on behalf of the Board of Directors

Viraj Naidu

Viraj Naidu
Director

K. Duraisami

K Duraisami
Director

Place: Bangalore
Date : May.26, 2016

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

Phone	: 23440331	No.19 Ground Floor,
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e-mail	: priceblr@gmail.com	Kumara park - West
Head Office	: Chennai	Bangalore – 560 020
Offices at	: Chennai, Mumbai, Ernakulam, Quilon, Calicut and New Delhi	
Ref. No.	:	26 th May 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of M/s.Bhadra Castalloys Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. Bhadra Castalloys Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Cash Flow Statement for the period 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 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 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 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:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016, and
- (ii) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

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 statement on the matters specified in paragraphs 3 and 4 of the Order.

- I. 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 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 A".
 - (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. Based on the information and explanation given to us, the Company does not have any pending litigations which would impact the Company's financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



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

R M Kamath

R M Kamath
Partner

Membership No:

Place: Bangalore

Annexure 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 31st March 2016.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The Management has physically verified inventory at the time of purchase of assets on 30th March 2016 and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (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 Section 148 of the Companies Act, 2013 is not applicable to the Company for the period ended 31st March 2016 and accordingly reporting under sub-clause (vi) of Clause 3 of the Order does not apply.
- (vii) (a) The Company has delayed remittance of tax deducted at source under Section 194J of Income Tax Act 1961. Other statutory dues viz., provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess are not applicable to the Company for the period ended 31st March 2016 as there were no employees and no operations during the period.
- (b) There are no income tax or sales tax or service tax or duty of customs or duty of 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 instruments) and term loans during the period and hence reporting under sub-clause (ix) of Clause 3 of the Order is not applicable.
- (x) Based on the information and explanation given to us, we report that 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 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 explanations given to us, we report that all transactions with the related parties are in compliance with Section 177 and 188 of 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 period under review and hence, reporting under sub-clause (xiv) of Clause 3 does not apply.
- (xv) Based on the information and explanations given to us, we report that 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's Registration No: 002785S



R Kamath

R M Kamath
Partner
Membership No:022907

Place: Bangalore

Annexure A 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 period ended 31st March 2016.

We have audited the internal financial controls over financial reporting of **Bhadra Castalloys Private Limited** ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period 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 system 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, in our opinion, the Company has, 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, 2016 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's Registration No: 002785S



R M Kamath

R M Kamath
Partner
Membership No:022907

Place: Bangalore
Date: 26th May 2016