

## AUDIT REPORT

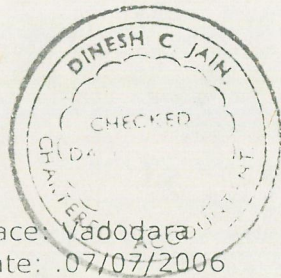
**SWASTIKA CASTAL LIMITED**  
**117-A, CHITTARANJAN AVENUE,**  
**KOLKATTA.**

We have audited the attached Balance Sheet of Swastika Castal Ltd., Kolkatta as on 31<sup>st</sup> March 2006 and Profit and Loss Account for the year ended on that date annexed thereto. Preparations of these financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 (CARO) issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order
3. Further to our comments in the annexure referred above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, the company as required by law has kept proper books of accounts as far, as appears from our examination of those books of the company.
  - c. The Balance Sheet and Profit and Loss dealt with by this report are in agreement with the books of account of the company.
  - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in Sub-section (3C) of section 211 of the Companies Act, 1956 except with the method of charging Depreciation as prescribed by the Accounting Standard-6. The company has charged depreciation as per the rates prescribed in the Income Tax Act,

1961, and has prepared the accounts accordingly (Refer Notes on Accounts.).

- e. On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
4. Subject to the forgoing, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and other Notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:
- a. In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2006;
- b. In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date.



For Dinesh C. Jain  
Chartered Accountants

*D. C. Jain*  
D.C. Jain  
B.Com FCA  
M. No. 41235

## ANNEXURE TO AUDITORS REPORT

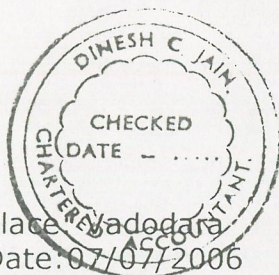
(Referred to paragraph 2 of our report of even date of accounts of Swastika Castal Limited as at 31<sup>st</sup> March 2006)

1. The Company has maintained proper records showing full particulars including quantitative details and the situation of the fixed assets.
2. The Company has a regular programs of verification of all fixed assets over a period of three year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
3. As per the available information, none of the Fixed Assets have been disposed off during the year.
4. The inventory has been physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
5. The Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
6. On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material.
7. The Company has not taken any unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence the question of reporting under clause 8, 9 & 10 of the Order does not arise.
8. The Company has not given unsecured loans as listed in the Register maintained under section 301 of the Companies Act, 1956 or to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act.1956.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods. During the course of our audit, no

major weaknesses have been noticed in the internal control system.

10. Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in to a register in pursuance of section 301 of the Companies Act has been so entered.
11. In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of Rs. 5.00 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
12. The Company has not accepted any deposit as defined in Section 58A and 58AA of the Companies Act 1956, hence reporting under this clause is not required.
13. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
14. We are informed that the Central Government has not prescribed the maintenance of cost record under Section 209(1)(d) of the Companies Act 1956 in respect of production of the company.
15. According to the records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other dues with the appropriate authorities.
16. Based on the Audit Procedures applied by us and according to the information and explanations given to us, no undisputed statutory dues are outstanding as at 31<sup>st</sup> March 2006 for a period of more than six months.
17. As informed by the company, there are no disputed taxes; hence deposition of amount under dispute does not arise.

18. The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
19. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
20. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
21. The company has not given any guarantee for loans taken by others from bank or financial institutions.
22. The term loans are applied for the purpose for which these loans were obtained.
23. The funds raised during the year on short-term basis have not been used for long-term investment. Similarly, funds raised during the year on long-term basis have not been used for short-term investment.
24. The company has not made any preferential allotment of shares of parties and companies covered in the register maintained under section 301 of the Act.
25. The company has not issued any debentures during the year.
26. The company has not raised money by public issue.
27. Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.
28. In view of operations of the company and nature of its business, clauses (xiii) and (xiv) of Companies (Auditors Report) Order 2003 are not applicable to the company.



For Dinesh C. Jain  
Chartered Accountants

*D. Jain*  
D.C. Jain  
B.Com FCA  
M.No. 41235

SWASTIKA CASTAL LIMITED  
117-A, CHITTARANJAN AVENUE,  
KOLKATTA

DINESH C JAIN  
CHARTERED ACCOUNTANTS  
74-76 GAYATRI CHAMBERS  
ALKAPURI, BARODA

BALANCE SHEET AS ON 31.03.2006

PARTICULARS	ANNEXURE		AMOUNT (RS.) AS ON 31.03.2006	AMOUNT (RS.) AS ON 31.03.2005
WHAT THE COMPANY OWED :- -----				
SHARE HOLDER'S FUND -----				
SHARE CAPITAL	A		4,675,000.00	4,675,000.00
RESERVES AND SURPLUS	B		1,973,930.38	1,488,563.65
LOAN FUNDS :- -----				
SECURED LOAN	C		16,934,456.88	9,448,682.36
UNSECURED LOANS	D		4,454,392.00	3,931,588.00
		Total :-	28,037,779.26	19,543,834.01
WHAT THE COMPANY OWNED -----				
FIXED ASSETS	E			
Gross Block			20,982,568.89	13,402,573.85
Less : Depreciation			8,925,116.89	7,840,736.85
Net Block			12,057,452.00	5,561,837.00
Investment			0.00	0.00
CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS -----				
INVENTORIES	F	7,860,930.00		5,165,101.00
SUNDRY DEBTORS	G	14,145,236.14		14,305,817.94
CASH AND BANK BALANCE	H	97,016.27		263,140.97
LOANS, ADVANCES AND DEPOSITS	I	3,474,152.58		4,515,829.11
Less:CURRENT LIABILITIES & PROV.		25,577,334.99		
SUNDRY CREDITORS	J	9,055,019.73		9,408,425.01
PROVISIONS	K	572,007.00		918,494.00
		9,627,026.73	15,950,308.26	
MISCELLANEOUS EXPENDITURES	L			
(to the extent not written-off)			30,019.00	59,027.00
NOTES FORMING PART OF ACCOUNTS	U			
		Total :-	28,037,779.26	19,543,834.01

SWASTIKA CASTAL LIMITED

*[Signature]*  
DIRECTORS

Place : Baroda

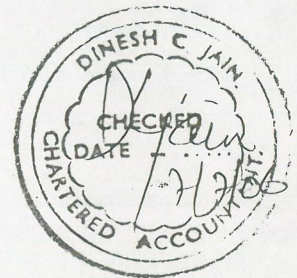
Date : 7/07/06

FOR SWASTIKA CASTAL LIMITED

*[Signature]*  
DIRECTOR

As per our report of even date  
FOR DINESH C JAIN  
CHARTERED ACCOUNTANTS

*[Signature]*  
D.C. JAIN  
B.COM FCA  
M.NO : 41235



SWASTIKA CASTAL LIMITED  
117-A, CHITTARANJAN AVENUE,  
KOLKATTA

DINESH C JAIN  
CHARTERED ACCOUNTANTS  
74-76 GAYATRI CHAMBERS  
ALKAPURI, BARODA

MANUFACTURING AND PROFIT & LOSS ACCOUNT  
FOR THE PERIOD ENDED 31ST MARCH 2006

PARTICULARS	ANNEXURE	AMOUNT (RS.) AS ON 31.03.2006	AMOUNT (RS.) AS ON 31.03.2005
<b>INCOME :-</b>			
SALE	M	54,540,597.39	53,708,305.50
OTHER INCOME	N	934,663.97	358,824.30
INCREASE IN STOCK	O	1,884,104.00	974,057.00
		<u>57,359,365.36</u>	<u>55,041,186.80</u>
<b>EXPENDITURES :-</b>			
RAW MATERIAL CONSUMED	P	31,733,014.10	30,075,324.94
DIRECT EXPENSES	Q	18,580,155.23	16,739,431.73
PAYMENT & PROVISIONS TO EMPLC	R	776,653.00	546,413.00
FINANCIAL AND OTHER CHARGES	S	2,069,095.68	1,476,422.58
SELLING GENERAL & ADMINISTRATI	T	2,568,125.58	3,676,815.76
PRELIMINARY EXPS. WRITTEN OFF		29,008.00	29,008.00
		<u>55,756,051.59</u>	<u>52,543,416.01</u>
NET PROFIT		1,603,313.77	2,497,770.79
DEPRECIATION		1,084,380.04	835,557.24
LESS : PROVISION FOR TAX		518,933.73	1,662,213.55
ADD : EXCESS PROVISION WRITTEN BACK		180,000.00	608,245.00
		<u>146,433.00</u>	<u>0.00</u>
AMOUNT AVAILABLE FOR APPROPRIATION		485,366.73	1,053,968.55
LOSS/PROFIT BAL. CARRIED OVER FROM PREVIOUS YEAR		1,488,563.65	434,595.10
BALANCE CARRIED TO BALANCE SHEET		<u>1,973,930.38</u>	<u>1,488,563.65</u>

SWASTIKA CASTAL LIMITED

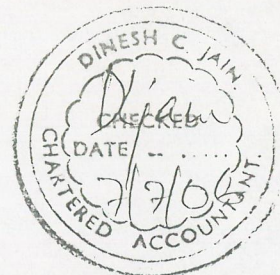
DIRECTORS

Place : Baroda

Date : 7/04/06

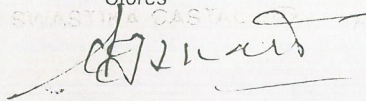
As per our report of even date  
FOR DINESH C JAIN  
CHARTERED ACCOUNTANTS

D.C.JAIN  
B.COM FCA  
M.NO : 41235



This part is forming to the balance sheet as on	31.03.2006	31.03.2005
<b>SHARE CAPITAL</b>	<b>ANNEXURE : A</b>	<b>ANNEXURE : A</b>
Authorised Share Capital (700000 Equity Shares of Rs. 10/- each)	7,000,000.00	7,000,000.00
<b>PAID UP SHARE CAPITAL</b>		
467500 Equity Shares of Rs. 10/- each fully paid (p.y. 4675000 Equity Shares of Rs.10/- each fully paid)	4,675,000.00	4,675,000.00
	4,675,000.00	4,675,000.00
<b>RESERVES AND SURPLUS</b>	<b>ANNEXURE : B</b>	<b>ANNEXURE : B</b>
Profit and Loss Appropriation Account	1,973,930.38	1,488,563.65
	1,973,930.38	1,488,563.65
<b>SECURED LOAN</b>	<b>ANNEXURE : C</b>	<b>ANNEXURE : C</b>
SIDBI Term Loan (Secured against E.M. of land & Building and hyp. of plant and machineries)	0.00	795,956.00
SBI Term Loan (Secured against E.M. of land & Building and hyp. of plant and machineries)	4,938,965.00	0.00
SBI Cash Credit Loan (Secured against hyp of current assets)	11,995,491.88	8,652,726.36
	16,934,456.88	9,448,682.36
<b>UNSECURED LOANS</b>	<b>ANNEXURE : D</b>	<b>ANNEXURE : D</b>
Darkwell Commercial (P) Ltd.	500,000.00	500,000.00
Shamin Impex (P) Ltd.	500,000.00	500,000.00
Swastik Precast Pvt. Ltd.	2,028,822.00	1,842,129.00
Vivekshil Dealers (P) Ltd.	1,094,800.00	1,089,459.00
Kotak Mahindra Primus Ltd.	330,770.00	0.00
	4,454,392.00	3,931,588.00
<b>CURRENT ASSETS LOAN ADVANCES &amp; DEPOSITS</b>		
<b>INVENTORIES</b>	<b>ANNEXURE : F</b>	<b>ANNEXURE : F</b>
Closing stock (as valued & certified by the Management)		
Raw Materials	3,454,368.00	2,991,921.00
Finished Goods	3,711,321.00	1,827,217.00
Stock in process		
Fluxes	123,791.00	88,988.00
Furnace Oil	90,200.00	140,375.00
Crucible	91,250.00	26,600.00
Stores	390,000.00	90,000.00
	7,860,930.00	5,165,101.00

For SWASTIKA CASTAL




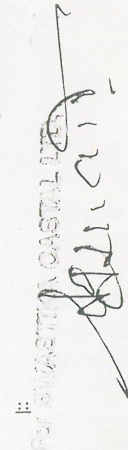


Director

ANNEXURE E

FIXED ASSETS

Particulars	Rate of Dep. %	Gross Block		Addition after 30/09/2005	Balance as on 31/3/2006	Depreciation Balance as on 1/4/2005	Depreciation Provided during year	Adjusted during year	Balance as on 31/3/2006	Net Block	
		Balance as on 1/4/2005	Addition Before 30/09/2005							Balance as on 31/3/2005	Balance as on 31/3/2006
Land	0.00%	1,285,509.00	140,250.00	0.00	1,425,759.00	0.00	0.00	0.00	0.00	1,285,509.00	1,425,759.00
Plant & Machinery	15.00%	4,751,696.00	1,607,793.40	1,693,459.58	8,052,948.98	3,398,498.00	450,574.98	0.00	3,849,072.98	1,353,198.00	4,203,876.00
Building	10.00%	3,093,076.00	2,498,582.00	116,035.00	5,707,673.00	1,465,460.00	293,492.00	0.00	1,758,952.00	1,627,616.00	3,948,721.00
Electric Installation	10.00%	1,282,289.28	434,622.00	249,587.78	1,966,499.06	1,106,887.28	51,750.78	0.00	1,158,638.06	175,402.00	807,861.00
Tube-Well	15.00%	118,653.00	0.00	0.00	118,653.00	104,796.00	2,079.00	0.00	106,875.00	13,857.00	11,778.00
Laboratory Equipment	15.00%	428,051.63	0.00	0.00	428,051.63	369,391.63	8,799.00	0.00	378,190.63	58,660.00	49,861.00
Jigs, Fixtures & Tools	15.00%	55,598.00	0.00	0.00	55,598.00	48,204.00	1,109.00	0.00	49,313.00	7,394.00	6,285.00
Office Equipments	15.00%	27,000.00	0.00	0.00	27,000.00	23,395.00	541.00	0.00	23,936.00	3,605.00	3,064.00
Motor Car & Vehicle	15.00%	69,100.00	548,000.00	0.00	617,100.00	54,673.00	84,364.00	0.00	139,037.00	14,427.00	478,063.00
Furniture	10.00%	77,432.74	0.00	0.00	77,432.74	31,739.74	4,569.00	0.00	36,308.74	45,693.00	41,124.00
Cycle	15.00%	3,151.00	0.00	0.00	3,151.00	1,924.00	184.00	0.00	2,108.00	1,227.00	1,043.00
Die	15.00%	1,519,383.20	213,365.28	0.00	1,732,768.48	941,253.20	102,723.28	0.00	1,043,976.48	578,130.00	688,792.00
Computer	60.00%	96,300.00	19,000.00	0.00	115,300.00	72,616.00	19,910.00	0.00	92,525.00	23,684.00	22,774.00
Fax Machine	15.00%	9,500.00	0.00	0.00	9,500.00	5,993.00	526.00	0.00	6,519.00	3,507.00	2,981.00
Measuring Instrument	15.00%	161,404.00	0.00	0.00	161,404.00	73,792.00	13,142.00	0.00	85,934.00	87,612.00	74,470.00
Electronic Way Scale	15.00%	17,000.00	0.00	0.00	17,000.00	11,621.00	807.00	0.00	12,428.00	5,379.00	4,572.00
New Tubewell	15.00%	145,010.00	0.00	0.00	145,010.00	83,833.00	9,177.00	0.00	93,010.00	61,177.00	52,000.00
Air Conditioner	15.00%	16,250.00	0.00	0.00	16,250.00	5,586.00	1,600.00	0.00	7,186.00	10,664.00	9,064.00
Water Tank	15.00%	32,970.00	0.00	0.00	32,970.00	14,424.00	2,782.00	0.00	17,206.00	18,546.00	15,764.00
Sand Blasting System	15.00%	213,200.00	0.00	0.00	213,200.00	26,650.00	27,982.00	0.00	54,632.00	186,550.00	158,568.00
Fire Fighting Equipment	15.00%	0.00	22,550.00	2,050.00	24,600.00	0.00	3,536.00	0.00	3,536.00	0.00	21,064.00
Mobile	15.00%	0.00	13,400.00	6,300.00	19,700.00	0.00	2,482.00	0.00	2,482.00	0.00	17,218.00
R.O. System (Water)	15.00%	0.00	15,000.00	0.00	15,000.00	0.00	2,250.00	0.00	2,250.00	0.00	12,750.00
		13,402,573.85	5,512,562.68	2,067,432.36	20,982,568.90	7,840,736.85	1,094,380.04	0.00	8,925,116.89	5,561,837.00	12,057,452.00

For Assistant Cashier  
  


## SUNDRY DEBTORS

ABB Ltd. Baroda
Agrilon GMDH (Export)
Banco Products India Ltd.
Crompton Greaves Ltd.
Kotak Exim P. Ltd. (Export)
Modern Insulators Ltd.
NGK Europe -Belgium
BHEL
Birla NGK Insulator
Endurance India
Insulator & Electric Co. Bhopal
Advance to Party
Honest Engineering Works
Janata Engineering Enterprise
Kishor & Co.
K.S. Engineering Works
Mital Kanta Nayak
S.A. Construction
Vinay Industries

## ANNEXURE : G ANNEXURE : G

5,922,709.73	6,844,757.73
28,350.00	776,580.00
226,458.00	93,611.00
2,437,751.80	1,687,883.21
1,659,303.00	1,979,691.00
3,207,230.69	2,339,805.00
0.00	440,209.00
0.00	143,281.00
1,644.47	0.00
3,048.00	0.00
362,621.00	0.00
9,860.00	0.00
30,584.45	0.00
15,774.00	0.00
161,599.00	0.00
8,000.00	0.00
15,500.00	0.00
47,699.00	0.00
7,103.00	0.00

14,145,236.14	14,305,817.94
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## CASH AND BANK BALANCE

Cash in hand
Allahabad Bank Kolkatta

## ANNEXURE : H ANNEXURE : H

85,188.07	61,537.15
11,828.20	201,603.82

97,016.27	263,140.97
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## LOANS, ADVANCES AND DEPOSITS

## LOANS &amp; ADVANCES

Appollo
Baroda Machinery Pvt. Ltd.
Dandekar & Sons
Deepak Tools & Abrasive
Dilip Dey
[[
D.S. Arharya
Export Engg. Promotion
Ganatra Brothers
Janata Engineering Enterprise
JEBI Shipping Agency
Jugraj Tejraj Agency Pvt. Ltd.
Maria Sure Engineers
Milal Kanta Nayak
Nand Kishor Nardia
Nirmal Oxygen Co.
Palival Engg. Works
Royal Engg. Works
S.A. Construction
Shreenath Engineer
ABB Loan
Bharat Porel
Parasnath (Contractor)
Evergreen Engineering Enterprise
Ashumal Keshwani
Kedar Purshottam Nandekar
Lalit Sharma Adv. A/c
Mau Basu Adv.
N. Pooran A. Adv.

## ANNEXURE : I ANNEXURE : I

0.00	50,000.00
0.00	100,000.00
0.00	2,680.00
0.00	3,570.00
0.00	15,000.00
0.00	750.00
0.00	50,000.00
2,000.00	2,000.00
0.00	15,774.00
0.00	139,818.90
0.00	4,909.00
0.00	20,000.00
0.00	21,500.00
32,472.00	35,500.00
0.00	2,875.00
0.00	5,000.00
0.00	45,000.00
0.00	1,288,513.00
0.00	50,000.00
68,563.00	68,563.00
0.00	2,000.00
27,813.00	14,749.00
0.00	50,000.00
21,000.00	0.00
21,000.00	0.00
16,000.00	0.00
2,500.00	0.00
6,000.00	0.00

FOR SWASTIK...

FOR SWASTIK...

*[Handwritten signature]*

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Director

DEPOSITS

Security Deposit (GEB)	679,541.00	679,541.00
Telephone Security Deposit (Baroda)	13,339.32	13,339.32
Central Excise Balance	133,372.21	1,349.21
Central Excise Balance(Disputed A/c)	9,038.00	10,536.00
Central Excise Modvat P-II (Receivable)	96,461.00	225,168.00
Education Cess	0.00	3,994.00
ISO Subsidy Receivable	86,811.00	86,811.00
Modvat Receivable	0.00	20,400.00
Modvat	0.00	37,786.00
Sales Refundble	0.00	599,161.83
Service Tax 10%	470,409.00	251,813.00
Service Tax 2% (Education Cess)	9,408.22	4,980.00
DEPB Receivable	638,609.00	0.00
Sales Tax Refundable	599,161.83	0.00
Margin Money with SBI	540,654.00	592,747.85

-----  
 3,474,152.58      4,515,829.11  
 =====

SUNDRY CREDITORS

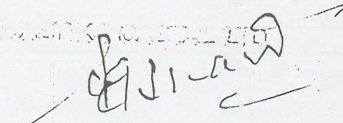
ANNEXURE : J      ANNEXURE : J

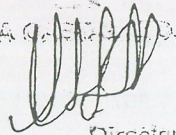
Sundry Creditors for Goods

Kishor & Co.	0.00	2,131,373.00
Kothari Metals Ltd.	34,220.00	123,947.00
Metal Forms	1,158,659.79	551,137.80
Vinay Industries	0.00	56,874.00
Crown Export (Singapore)	0.00	2,256,501.42
Sun Metal Casting LLC	2,345,625.00	0.00
Swastik Metcast	213,196.36	0.00

Sundry Creditors for Expenses

Aanjaney Engineers	911,254.00	1,213,328.00
All Cast Technologies Ltd.	10,800.00	9,630.00
All Graphics	20,810.00	10,715.00
Amit Enterprise	131,848.00	227,570.00
Anant Enterprise	301,008.83	202,350.83
Bharat Porel (Labour Bill)	12,963.00	14,033.00
Bhavika D. Joshi	2,250.00	2,200.00
Blue Dart Express	0.00	6,498.00
Bombay Tools Supplying Agency	0.00	3,409.00
B.R. Industries	226,602.68	106,024.18
C.K. Associates	9,154.00	23,634.00
C.K. Shah & Co.	99,850.00	10,500.00
Compressor & Paras	27,150.00	36,185.00
Detective & Security Service	9,894.00	9,884.00
Dhananjay M. Vaidya	1,653.00	1,653.00
Don Fab Engineer	17,988.00	15,024.00
Durgaram G. Nibel	0.00	3,225.00
First Flight Couriers Ltd.	3,060.00	969.00
Gourishankar Mundhara	0.00	29,810.00
Honest Engineering Works	5,416.00	227,678.00
Inox Air Products Ltd.	1,270.00	1,604.00
K.B. Brothers	0.00	192,538.00
K. Bhatt (Salary)	0.00	3,940.00
Keyur Patel (Salary)	5,460.00	4,952.00
Krutam Enterprise	6,500.00	1,653.00
Kushal Udyog	1,011.00	33,171.00
Metro Electricals	42,107.00	33,690.00
Micron Alumina Pvt. Ltd.	26,444.00	77,787.00
Parasnath Saw (Labour Mill)	18,201.00	21,056.00
Parth Engineering	0.00	37,550.00
Power Engineering Corporation	0.00	295,016.00
Precision Gauges	5,882.00	1,708.00
Prompt Engineer	0.00	1,600.00
Promtech	0.00	14,316.00
Rahill Trading Pvt. Ltd.	0.00	21,832.75

SWASTIKA METCAST LTD.  


FOR SWASTIKA METCAST LTD.  
  
 Director

Rajesh Tools Sppliers	49,231.00	55,873.00
Raj Kumar Labour Bill	20,173.00	19,160.00
R.B. Bhagat	0.00	51,000.00
Ritesh Padhiyar (Salary)	3,456.00	3,060.00
R.K. Enterprise	0.00	1,675.00
Rolex Engg. Works	0.00	8,395.00
Sadbhav Metallurgical Service	13,675.00	15,902.00
Sankalp Foundary Services	0.00	106,350.00
Saru Alkho & Chemicals Ltd.	109,149.00	172,264.56
S.B. Electricals	15,146.00	22,468.00
Semtek	0.00	8,008.00
Shravan Kumar Fulchand	251,782.00	190,267.00
Shreeji Electricals	0.00	6,193.00
Shreeji Engineers	503,148.00	33,932.00
Shree Ram Transport Co.	41,524.00	32,800.00
Shyam Marketing	0.00	40,125.00
Standard Engineering Works	41,902.00	28,789.00
Star Sand Blasting Works	25,404.59	42,642.47
Sucess Heat Treatment	46,593.00	222,554.00
Swastik Metforms	49,920.00	49,920.00
[:		
Thakkar Electric Service	72,074.00	44,691.00
United Technologists	0.00	54,975.00
V.B Ganatra	0.00	30,206.00
Vesuvius India Ltd.	78,209.00	25,000.00
Vohra Engineering Works	223,597.00	5,000.00
Yogeshwar Machine Sales & Services	0.00	3,360.00
Mukul Daga (Salary)	16,120.00	16,120.00
Aakar Udhyog	806.00	0.00
Alpha Engineering	236,461.00	0.00
Ankit Electric Co.	2,570.00	0.00
Anudeep Alucast Pvt. Ltd.	46,424.00	0.00
Atlas Capco India	1,532.00	0.00
Bharat Poral (Salary)	3,071.00	0.00
D.S. Acharya	1,500.00	0.00
Krushnav: : : Bhatt (Salary)	4,380.00	0.00
Lalit Sharma	3,940.00	0.00
Mankiewicz	107,883.90	0.00
Minal Engineering Ltd.	151,172.00	0.00
Minex Metallurgical Co. Pvt. Ltd.	22,683.00	0.00
Natvarlal H. Shah	5,378.00	0.00
Nirmal Services	1,500.00	0.00
Palival Engg. Works	7,719.00	0.00
Phonix Industries Pvt. Ltd.	870,663.00	0.00
Power Control Systems	45,839.58	0.00
Royal Engg. Works	29,120.00	0.00
Rutu Engineers	5,850.00	0.00
Shivam Stationary & Copier	3,092.00	0.00
Shreenath Engineers	733.00	0.00
S.R. Enterprise	1,000.00	0.00
Swastik Sales Services & Co.	1,546.00	0.00
Udyogm Software	15,000.00	0.00
Unisafe Services	392.00	0.00
Wire Flattners	21,160.00	0.00
ABB Ltd. (Nasik)	46,306.00	100,128.00
NGK Europe -Belgium	204,417.00	0.00
R. Kothari & Co.	1,500.00	0.00

9,055,019.73

9,408,425.01

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PROVISIONS

ANNEXURE : K      ANNEXURE : K

Excise Claim		0.00	39,284.00
Income Tax Redeposit		121,056.00	114,746.00
Professional Tax		4,015.00	2,873.00
Provident Fund		28,284.00	24,347.00
Purchase Tax		16,148.00	32,848.00
CST		195,688.00	220,556.00
Audit Fees Payable		22,448.00	12,590.00
Effluence Allowances		0.00	94,020.00
Electric Exp. Payable		207,640.00	230,170.00
Postage, Telephone & Courier Charges		0.00	627.00
Income Tax Excess Provision		0.00	16,153.00
Provision for Taxation	180,000.00		
Less : Adv. Tax & TDS	205,224.00	(25,224.00)	130,280.00
<hr/>			
Educational Cess RG 23 P II		597.00	0.00
FBT Payable		1,355.00	0.00
<hr/>			
		572,007.00	918,494.00
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MISCELLANEOUS EXPENDITURES

ANNEXURE : L      ANNEXURE : L

Preliminary & Pre-Op. Exps. (To the extent not written off)		59,027.00	88,035.00
Less : write off during the year		29,008.00	29,008.00
<hr/>			
		30,019.00	59,027.00
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PT SWASTIKA CASTALITA

*[Handwritten Signature]*

Director

This Part is Forming to The Manufacturing & Profit & Loss

INCOME  
SALE

Net Sales (Less Return)

ANNEXURE : M	ANNEXURE : M
54,540,597.39	53,708,305.50

OTHER INCOME

Other Income (FEF)  
Other Adjustments & Misc. Receipt  
Interest Received  
CST Set Off  
Custom Duty DEPB  
Discount

ANNEXURE : N	ANNEXURE : N
152,196.57	336,524.45
0.00	14,178.85
36,418.00	8,121.00
58,410.00	0.00
638,609.00	0.00
49,030.40	0.00
934,663.97	358,824.30

INCREASE IN STOCK

Opening Stock  
Less : Closing Stock

ANNEXURE : O	ANNEXURE : O
1,827,217.00	853,160.00
3,711,321.00	1,827,217.00
1,884,104.00	974,057.00

RAW MATERIAL CONSUMED

Opening Stock  
Add : Purchases

Less : Closing Stock

ANNEXURE : P	ANNEXURE : P
2,991,921.00	1,474,447.00
32,195,461.10	31,592,798.94
35,187,382.10	33,067,245.94
3,454,368.00	2,991,921.00
31,733,014.10	30,075,324.94

DIRECT EXPENSES

Power & Fuel Exp.  
Freight & Octroi  
Anodising /Conversion Charges  
Wages & Bonus  
Foundry Exp.  
Laboratory & Testing Charges  
Maintenance (P & M)  
Security Exp.  
Calibration Charges  
CED Exp.  
Consumable Stores  
Rent, Rates & Taxes

ANNEXURE : Q	ANNEXURE : Q
6,070,708.00	4,440,128.74
734,854.90	896,379.80
256,481.00	223,321.75
2,510,291.70	2,696,631.25
7,686,332.19	6,784,801.99
109,190.50	97,102.00
320,210.54	834,229.00
108,817.00	114,245.00
11,932.00	15,013.00
3,631.00	1,000.00
750,172.40	601,455.20
17,534.00	35,124.00
18,580,155.23	16,739,431.73

*[Signature]*

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Director

DETAILS OF ANNEXURE Q

1.	<u>DETAILS OF POWER &amp; FUEL EXP</u>		
	OPENING STOCK OF FURNESH OIL	140,375.00	
	ADD PURCHASE	3,144,982.00	
		<u>3,285,357.00</u>	
	LESS CLOSING STOCK	90,200.00	3,195,157.00
	POWER EXP (ELECTRIC EXP.)		2,875,551.00
	<b>Total</b>		<b><u>6,070,708.00</u></b>
2.	<u>DETAILS OF FOUNDRY EXP. A/C</u>		
	OPENING STOCK OF CRUCIBLE	26,600.00	
	ADD PURCHASE OF CRUCIBLE	395,227.00	
		<u>421,827.00</u>	
	LESS CLOSING STOCK	91,250.00	330,577.00
3.	<u>FLUXES</u>		
	OPENING STOCK	88,988.00	
	ADD PURCHASE	1,379,287.44	
		<u>1,468,275.44</u>	
	LESS CLOSING STOCK	123,791.00	1,344,484.44
	FOUNDRY EXP.		190,801.00
	CONVERSION CHARGES		405,508.50
	FETTLING EXP.		447,619.00
	HEAT TREATMENT EXP.		531,817.03
	MACHINING EXP.		4,247,620.10
	SAND BLASTING EXP.		187,905.12
	<b>Total</b>		<b><u>7,686,332.19</u></b>
4.	<u>DETAILS OF STORES A/C</u>		
	OPENING STOCK	90,000.00	
	<u>PURCHASE</u>		
	COLOUR	394,331.40	
	STORES	370,527.00	
	GAS	285,314.00	
		<u>1,140,172.40</u>	
	LESS CLOSING STOCK	390,000.00	
	<b>Total</b>		<b><u>750,172.40</u></b>
5.	<u>DETAILS OF MAINTENANCE EXP.</u>		
	ELECTRIC REPAIRING & MAINTENANCE EXP.	168,040.54	
	MAINTENANCE PLANT & MACHINERY EXP.	66,832.00	
	DIE REPAIRING MAINTENANCE EXP.	34,001.00	
	MAINTENANCE EXP.	1,760.00	
	TOOLS EXP.	49,777.00	
	<b>Total</b>		<b><u>320,210.54</u></b>
6.	<u>DETAILS OF WAGES &amp; BONUS EXP.</u>		
	EFFICIENCY ALLOWANCE	1,295,235.00	
	BONUS EXP.	261,188.00	
	LABOUR CHARGES PAID	617,939.00	
	LABOUR WELFARE EXP.	153,133.70	
	PROVIDENT FUND EXP.	175,477.00	
	LEAVE WITH SALARY	7,319.00	
	<b>Total</b>		<b><u>2,510,291.70</u></b>
7.	<u>DETAILS OF R.M. PURCHASE A/C</u>		
	OPENING STOCK	2,991,921.00	
	<u>ADD PURCHASE</u>		
	PURCHASE OF COMPONENT	92,060.12	
	PURCHASE AGAINST FORM NO 24	7,844,069.00	
	RAW MATERIAL IMPORT	5,803,163.65	
	RM PURCHASE OGS	10,186,217.66	
	RM PURCHASE FROM RD	185,592.00	
	PURCHASE AGAINST FORM NO 19	6,326,486.00	
	PURCHASE TAX	174,622.00	
	PURCHASE OF DIES	736,313.67	
	CUSTOM DUTY PAID	846,937.00	
		<u>35,187,382.10</u>	
	LESS CLOSING STOCK	3,454,368.00	
	<b>Total</b>		<b><u>31,733,014.10</u></b>

For SWASTIKA CASTAL LTD.

*(Signature)*

Director

For SWASTIKA CASTAL LTD.

*(Signature)*

Director

PAYMENT & PROVISIONS TO EMPLOYEES

Salary & Bonus

Fringe Benefit Tax

ANNEXURE : R	ANNEXURE : R
751,586.00	546,413.00
25,067.00	0.00
776,653.00	546,413.00

FINANCIAL AND OTHER CHARGES

Bank Charges

Bank Interest

Interest

ANNEXURE : S	ANNEXURE : S
411,515.68	177,991.11
1,278,860.00	1,298,431.47
378,720.00	0.00
2,069,095.68	1,476,422.58

||:

SELLING GENERAL & ADMINISTRATIVE EXPS.

Postage & Telegram & Telephone

Travelling & Conveyance Exps.

General Exp.

Export Exp.

Audit Fees

Printing & Stationary

Consultancy Charges

Repairs & Maint. Charges (Computer)

Brokerage Exp.

Vehicle Exps.

ISO Certificate Exp.

Packing Exp.

Insurance Exp.

ANNEXURE : T	ANNEXURE : T
150,728.29	152,106.50
201,342.00	193,387.00
188,300.29	505,149.98
1,605,187.00	2,005,224.10
22,448.00	27,500.00
70,809.00	61,753.18
98,796.00	180,182.00
36,620.00	30,750.00
18,550.00	312,145.00
51,712.00	104,727.00
39,000.00	8,100.00
44,339.00	54,285.00
40,294.00	41,506.00
2,568,125.58	3,676,815.76

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**SWASTIKA CASTAL LIMITED**  
**SCHEDULE - U**  
**NOTES ON ACCOUNTS**

SCHEDULE OF NOTES FORMING PART OF BALANCE SHEET  
AND PROFIT AND LOSS ACCOUNT AS AT  
DATED 31ST MARCH 2006

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE  
ACCOUNTS

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956.

**B. USE OF ESTIMATES**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues & expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known materialized.

**C. FIXED ASSETS**

- (a) Fixed Assets are shown at cost, inclusive of incidental and other cost (net of Cenvat and sundry receipt).
- (b) Classification of Fixed Assets has been done on the basis of the decision taken by the management and the same is being consistently followed.

**D. DEPRECIATION**

Depreciation on Fixed Assets is provided on Written Down Value Method in accordance with the rates specified in the Income Tax Act, 1961.

**E. RESEARCH AND DEVELOPMENT**

Research & Development cost of Dies, Tools & Jigs (other than cost of Fixed Assets) are charged as expenses in the year in which they are incurred.

#### **F. INVESTMENTS**

There are no long-term investments.

#### **G. INVENTORIES**

The inventories are valued on the following basis:

1. Raw Material and Packing Materials	At cost exclusive of Excise Duty
2. Stores and Spare Parts	At cost exclusive of Excise Duty
3. Finished Goods	At estimated cost and certified by the management.
4. Goods-in-progress	At estimated cost and certified by the management.

#### **H. SALES**

1. Sales are exclusive of Excise Duty (net of claims, rejections)
2. Sales of manufactured goods comprise mainly Gravity Dies, Aluminum Alloy Gravity Die Castings and Non-Ferrous Products.

#### **I. EXCISE DUTY AND SALES TAX**

Excise duty has been accounted on the basis of payment made in respect of goods cleared. Sales tax charged to Profit & Loss Account included payments made for assignment of deferred tax liabilities.

#### **J. EMPLOYEE RETIREMENT BENEFITS**

Liability for gratuity is accounted for on the basis of actuarial valuation made by an independent Actuary. The company has created

As regard the leave encashment it is the policy of the company to clear the same within the year in which the amount becomes due.

#### **K. PROVISION FOR CURRENT AND DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income-tax Act, 1961.

As the Company charges depreciation as per provisions of Income Tax Act, 1961 in its books, the question of timing difference does not arise and hence deferred tax has not been calculated and provided for.

**L. PREPAID EXPENSES**

Expenditure of less than Rs. 5000/- is not considered for the purpose of recognition of prepaid expenses

**M. PRIOR PERIOD ADJUSTMENTS**

Only individual items exceeding Rs. 5000/- relating to previous years are accounted under prior period adjustments.

## NOTES ON ACCOUNTS

1. The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
2. Income from operations includes job work receipts and sales.
3. Payment to Auditors

Particulars	2005-06	2004-05
Audit Fees & Tax Audit Fees	22,448.00	12,500.00
Other Matters	0.00	15,000.00
TOTAL	22,448.00	27,500.00

4. Income Tax Assessments of the Company have been completed up to A.Y 2002-03.
5. I) As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

Sr. No.	Name of related party	Relationship
1.	a. Shree Gopal Sharda (Director)	Key managerial Personnel
	b. Shree Sushil Kumar Sharda (Director)	
	c. Shree Anup Sharda (Director)	

### II) Transaction with related parties:

Sr. No.	Nature of Transaction	Associates	Related Parties	Total
1.	Loan Taken (Swastik Precast Pvt. Ltd.)			
	Balance as at 1 <sup>st</sup> April, 2005		Rs. 18.42	Rs.18.42
	Taken during the year		Rs. 10.00	Rs. 10.00
	Repaid during the year		Rs. 9.20	Rs. 9.20
	Balance as at 31 <sup>st</sup> March, 2006		Rs. 20.29	Rs. 20.29
	Interest Paid		Rs. 1.35	Rs. 1.35

**Disclosure of Transactions between the Company and Related Parties and their Status as on 31<sup>st</sup> March, 2006.**

I. Dies and Components Purchase:

- Metal Forms : Die Purchase  
Balance as on 31/3/2006 Rs. 11,58,659.79
- Swastik Metcast : Purchase of Components  
Balance as on 31/3/2006 Rs. 2,13,196.00

II. Closing Balance of other Related Parties having no transactions during the year.

- Swastik Metal Forms Rs. 49,920.00
- Swastik Sales Services & Co. Rs. 1,546.00

6. Additional information as required under schedule VI of the Companies Act, 1956 with respect to Production, Sales and Consumption of goods as certified by the Management (figures rounded off)

- a) Nature of Products: Non-Ferrous Casting
- b) Licensed Capacity: Not Applicable
- c) Installed Capacity: Not Applicable
- d) Actual Production: Details of Actual Production having hundreds of items is not feasible.

**Consumption meant for sale**

PRODUCT	2005-06		2004-05	
	Quantity (Kgs.)	Value (Rs.)	Quantity (Kgs)	Value (Rs.)
Aluminum Alloy including Aluminum Ingot, Manganese, Magnesium, Aluminum Scrap etc.	413602.1	3,17,33,014	399258.35	3,00,75,325
<b>TOTAL</b>				

7. Value of Import on CIF basis in respect of

	2005-06		2004-05	
	Quantity (Kgs.)	Value (Rs.)	Quantity (Kgs.)	Value (Rs.)
Raw Material	89055	74,46,708	90515	74,93,078

8. Earnings in foreign currency

**2005-06**

**2004-05**

Rs.85,45,933

Rs. 1,72,46,000

9. Production capacity, sales, quantity, and turnover are all certified by the management and not verified by the auditors since it is a technical matter.
10. Year end balance confirmation has not been obtained in cases of all the creditors, debtors and loans & advances.
12. A) Term Loans are secured against Land and Moveable Property of the Company including Plant and Machinery, Tools and Accessories, Office Equipments and Computers (save and except book debts)
- B) Working Capital Loans are secured against Hypothecation of Movables, Book Debts and other assets and a second charge on Land and Building and Plant and Machinery.

## SWASTIKA CASTAL LIMITED

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	<b>Registration Details</b>			
	Registration No.	21-79995	State Code	21
	Balance Sheet Date	31/03/2006		
2.	<b>Capital Raised During the year (Amount Rs. in lacs)</b>			
	Public Issue	N.A.	Right Issue	Nil
	Bonus Issue	Nil	Private placement	Nil
3.	<b>Position of Mobilization and Deployment of Funds (Amount Rs. in Lacs)</b>			
	Total Liabilities	280.38	Total Assets	280.38
	<b>Sources of Funds</b>			
	Paid Up Capital	46.75	Res. & Surplus	19.74
	Secured Loans	169.34	Unsecured Loan	44.55
	Deferred Tax Liability	0.00		
	<b>Application of Funds</b>			
	Net Fixed Assets	120.57	Investment	0.00
	Net Current Assets	159.50	Misc. Exp.	0.30
	Accumulated Losses	0.00		
4.	<b>Performance of Company (Amount Rs. in lacs)</b>			
	Turnover	573.59	Total Exp.	568.40
	Profit Before Tax	5.19	Profit After Tax	4.85
	Earning Per share	1.04	Dividend	NA
5.	<b>Generic Names of there Principal Products of Company</b>			
	Item Code No. (ITC Code)	Not known		
	Product Description	Manufacturing of Casting & Machining of non-ferrous Metals.		

Signature to Schedule A to U  
AS PER OUR REPORT OF EVEN DATE ATTACHED

For Dinesh C. Jain  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD  
Swastika Castal Limited

SD/-  
D.C.JAIN  
PROPRIETOR

SD/-  
DIRECTOR

