
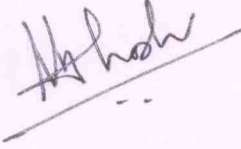



**FORM B**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the company	<b>BHASKAR SHRACHI ALLOYS LIMITED</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March, 2013</b>
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Repetitive
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Non-provision of Deferred Tax Liability (net of Deferred Tax Asset) amounting to Rs. 87.48 lacs. Had the provision been made the loss for the year would have increased by Rs. 87.48 lacs and the balance in Profit &amp; Loss Statement would have decreased and deferred tax liability would have increased by the same amount. (page No. 2 of Auditors Report)</p> <p><u>Managements Response</u> Regarding Auditors' remarks for non-provision of deferred tax, Directors have to state that in consideration of prudence, deferred tax has not been recognized in the financial statements and the same would be considered at the appropriated time keeping in view of the availability of sufficient taxable income against which such deferred tax can be realized. Rest of the Auditors' Report are self-explanatory and therefore, do not call for any further comments. (Point No. 10 of Directors Report)</p>
	Additional comments from the board/audit committee chair:	N.A.
5.	To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	<p align="center"> Prem Kumar Agarwal.</p> <p align="center"> ..</p> <p align="center"> (<b>CHAND BAHETI</b>)</p>