

R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
2659/2, GURDWARA ROAD, KAROL BAGH
NEW DELHI 110 005

INDEPENDENT AUDITORS' REPORT

To the Members of **M J CASTING LIMITED**,

Report on the Financial Statements

We have audited the accompanying financial statements of the **M J CASTING LIMITED** ('the Company') which comprise the Balance Sheet as at March 31st 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (the Act) with respect to 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 the 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 there under.

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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required by section 143(3) of the Act, 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31st 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 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' and



(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigation on its financial position in its financial statements.
- ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company had provided requisite disclosure in its financial statements as to holding as well as dealing in Specified Bank Notes during the period November 8th, 2016 to December 30th, 2016 and these are in accordance with the books of accounts maintained by the company.

Place : New Delhi
Date : May 8, 2017



For R N Saraf & Co.
Chartered Accountants
ICAI Firm Registration No.: 002023N

R.N. Saraf

R.N. Saraf, FCA
Membership Number: 12439

**ANNEXURE 'A' TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBER OF
M J CASTING LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31ST 2017**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in phased manner, in accordance with this programme certain fixed assets were verified during the year. According to the information and explanation given to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of inventory at reasonable intervals during the year. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the requirement of clause 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iv) The company does not have any loans, investments, guarantees and security referred to in section 185 and 186 of the companies act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable
- (v) The Company has not accepted any deposits from the public.
- (vi) The nature of the Company's business is such that maintenance of cost records specified by the central Government under sub section (1) of section 148 of the Companies Act, is not applicable .
- (vii) (a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities 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 other material statutory dues as applicable to it and no undisputed amounts payable were outstanding as at March 31st, 2017 for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, there are no disputed dues in respect of income tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with appropriate authorities.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There were no dues repayable to debenture holders, government and financial institutions.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company, Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : New Delhi
Date : May 8, 2017



For R N Saraf & Co.
Chartered Accountants
ICAI Firm Registration No.: 002023N

R. N. Saraf

R.N. Saraf, FCA
Membership Number: 12439

R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
2659/2, GURDWARA ROAD, KAROL BAGH
NEW DELHI 110 005

ANNEXURE B TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THE M J CASTING LIMITED ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT").

We have audited the internal financial controls over financial reporting of **M J CASTING 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 effectiveness of the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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*

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi
Date : May 8, 2017



For R N Saraf & Co.
Chartered Accountants
(Registration No. 002023N)

R.N. Saraf
R.N. Saraf, F.C.A.
(Membership No. 12439)

MJ Casting Limited.

Balance Sheet as at 31 March, 2017

| Particulars | | Note No. | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-----------------------------------|----------|-------------------------|-------------------------|
| | | | Rs. | Rs. |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 2 | 805,400,000 | 805,400,000 |
| | (b) Reserves and surplus | 3 | (103,600,719) | (154,398,804) |
| | | | 701,799,281 | 651,001,196 |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 4 | 398,970,372 | 456,869,450 |
| | (b) Long-term provisions | 5 | 11,623,433 | 12,913,151 |
| | | | 410,593,805 | 469,782,601 |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 71,001,908 | 56,671,608 |
| | (b) Trade payables | 7 | 160,818,301 | 240,079,294 |
| | (c) Other current liabilities | 8 | 175,439,913 | 132,495,657 |
| | (d) Short-term provisions | 9 | 200,094 | 374,461 |
| | | | 407,460,216 | 429,621,020 |
| | TOTAL | | 1,519,853,302 | 1,550,404,817 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 10A | 1,093,889,702 | 1,114,730,303 |
| | (ii) Intangible assets | 10B | 1,409,770 | 380,435 |
| | (iii) Capital work-in-progress | 10C | 1,554,345 | 27,214,773 |
| | | | 1,096,853,817 | 1,142,325,512 |
| | (b) Non-current investments | 11 | 182,600 | 182,600 |
| | (c) Deferred tax assets (net) | 12 | 58,083,000 | 71,888,000 |
| | (d) Long-term loans and advances | 13 | 14,730,350 | 12,292,102 |
| | | | 72,995,950 | 84,362,702 |
| 2 | Current assets | | | |
| | (a) Inventories | 14 | 98,250,083 | 78,471,842 |
| | (b) Trade receivables | 15 | 207,918,938 | 208,702,189 |
| | (c) Cash and cash equivalents | 16 | 3,736,269 | 1,142,211 |
| | (d) Short-term loans and advances | 17 | 37,423,370 | 33,026,229 |
| | (e) Other current assets | 18 | 2,674,876 | 2,374,132 |
| | | | 350,003,535 | 323,716,603 |
| | TOTAL | | 1,519,853,302 | 1,550,404,817 |
| See accompanying Notes to financial statements | | | | |

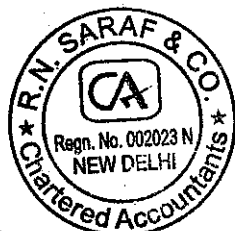
In terms of our report attached.

For R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
Registration no. 002023N

R. N. SARAF, F.C.A.
Membership No. 12439

2659/2, Gurdwara Road,
Karol Bagh, New Delhi - 110 005

Place : New Delhi
Date : May 8, 2017



For and on behalf of the Board of Directors

Swaroop
Whole Time Director
Din No. 00793122

Sanjay Jain
Director
Din No. 03364405

Umesh C. Joshi
(CFO)
PAN- AFKP7838J

Place : New Delhi
Date : May 8, 2017

MJ Casting Limited.

Statement of Profit and Loss for the year ended 31 March, 2017

| Particulars | | Note No. | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--|---|----------|--------------------------------------|--------------------------------------|
| | | | Rs. | Rs. |
| 1 | Revenue from operations | 19 | 2,024,781,315 | 1,870,113,360 |
| 2 | Other income | 20 | 1,320,065 | 1,029,160 |
| 3 | Total revenue (1+2) | | 2,026,101,380 | 1,871,142,520 |
| 4 | Expenses | | | |
| | Cost of materials consumed | 21 | 1,144,970,366 | 1,006,946,576 |
| | Purchases of stock-in-trade | 22 | 2,096,125 | 3,553,600 |
| | Changes in inventories of finished goods and work-in-progress | 23 | (6,921,087) | (3,554,880) |
| | Employee benefits expense | 24 | 213,206,970 | 187,307,426 |
| | Finance costs | 25 | 77,974,534 | 103,401,372 |
| | Depreciation and amortisation expense | 26 | 171,565,616 | 146,013,832 |
| | Other expenses | 27 | 347,385,771 | 292,656,823 |
| | Total expenses | | 1,950,278,295 | 1,736,324,750 |
| 5 | Profit before exceptional items and tax (3 - 4) | | 75,823,085 | 134,817,771 |
| 6 | Tax expense: | | | |
| | (a) Current tax | | 11,220,000 | - |
| | (b) Deferred tax liability | 12 | 13,805,000 | 43,748,000 |
| | | | 25,025,000 | 43,748,000 |
| 7 | Profit for the year (5-6) | | 50,798,085 | 91,069,771 |
| 8 | Earnings per share (of Rs. 10/- each): | | | |
| | (a) Basic | | 0.87 | 1.56 |
| | (b) Diluted | | 0.87 | 1.56 |
| See accompanying Notes to financial statements | | | | |

In terms of our report attached.

For R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
Registration no. 002023N

R.N. SARAF, F.C.A
Membership No. 12439

2659/2, Gurdwara Road,
Karol Bagh, New Delhi - 110 005

Place : New Delhi
Date : May 8, 2017



For and on behalf of the Board of Directors

Swaroop
Whole Time Director
Din No: 00793122

Sanjay Jain
Director
Din No: 08364405

Umesh Choudhary
(CFO)
PAN- AFKP17838J

Place : New Delhi
Date : May 8, 2017

MJ Casting Limited.
Cash Flow Statement for the year ended 31 March, 2017

| Particulars | For the year ended 31 March, 2017 | | For the year ended 31 March, 2016 | |
|---|-----------------------------------|----------------------|-----------------------------------|----------------------|
| | Rs. | Rs. | Rs. | Rs. |
| A. Cash flow from operating activities | | | | |
| Net Profit before tax | 75,823,085 | | 134,817,771 | |
| <u>Adjustments for:</u> | | | | |
| Depreciation and amortisation | 171,565,616 | | 146,013,832 | |
| Loss on sale / discard of fixed assets | 1,288,602 | | - | |
| Finance costs | 77,974,534 | | 103,401,372 | |
| Interest income | (831,034) | | (1,029,160) | |
| Operating profit / (loss) before working capital changes | | 325,820,804 | | 383,203,815 |
| <u>Changes in working capital:</u> | | | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | | | |
| Inventories | (19,778,241) | | 3,863,091 | |
| Trade receivables | 783,251 | | (48,152,108) | |
| Short-term loans and advances | (4,397,141) | | (803,531) | |
| Other current assets | (300,744) | | (2,269,309) | |
| Long-term loans and advances | (2,438,248) | | (7,368,952) | |
| Other non-current assets | - | (26,131,123) | 1,490,374 | (53,240,435) |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u> | | | | |
| Trade payables | (79,260,993) | | (35,744,699) | |
| Other current liabilities | 42,944,256 | | (35,617,764) | |
| Short-term provisions | (174,367) | | 152,709 | |
| Long-term provisions | (1,289,718) | (37,780,823) | 7,184,578 | (64,025,177) |
| Income taxes paid | | 261,908,858 | | 265,938,202 |
| | | (11,220,000) | | - |
| Net cash flow from / (used in) operating activities (A) | | 250,688,858 | | 265,938,202 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets (net) | (127,382,523) | - | (113,261,727) | |
| Investment in Equity Shares of OPG power generation private limited | | | (182,600) | |
| Interest received from bank | 831,034 | | 1,029,160 | |
| | | (126,551,489) | | (112,415,167) |
| Net cash flow from / (used in) investing activities (B) | | (126,551,489) | | (112,415,167) |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | (57,899,077) | | 49,814,140 | |
| Proceeds from other short-term borrowings | 14,330,300 | | (99,918,543) | |
| Finance cost | (77,974,534) | | (103,401,372) | |
| | | (121,543,312) | | (153,505,774) |
| Net cash flow from / (used in) financing activities (C) | | (121,543,312) | | (153,505,774) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 2,594,058 | | 17,261 |
| Cash and cash equivalents at the beginning of the year | | 1,142,211 | | 1,124,950 |
| Cash and cash equivalents at the end of the year | | 3,736,269 | | 1,142,211 |
| Cash and cash equivalents at the end of the year (refer note 16) | | 3,736,269 | | 1,142,211 |
| Comprises: | | | | |
| Balances with banks | | | | |
| On current accounts | | 612,867 | | 717,298 |
| On cash credit accounts | | 2,886,825 | | - |
| Cash on hand | | 236,577 | | 424,913 |
| Total | | 3,736,269 | | 1,142,211 |

See accompanying Notes to financial statements

In terms of our report attached.

 For R. N. SARAF & CO.
 CHARTERED ACCOUNTANTS
 Registration no. 002023N

 R.N. SARAF, F.C.A.
 Membership No. 12439

 2659/2, Gurdwara Road,
 Karol Bagh, New Delhi - 110 005

 Place : New Delhi
 Date : May 8, 2017


For and on behalf of the Board of Directors

 Anand Swaroop
 Whole Time Director
 Din No. 00793122

 Sanjay Jain
 Director
 Din No. 03364405

 Umesh Choudhary
 (CFO)
 PAN- AFKP978381

 Place : New Delhi
 Date : May 8, 2017

Note 1: Accounting Policies and Notes on Financial Statements

1. Background

- a) M J Casting Limited ('the Company') was incorporated in India on December 23, 2010 .The Company is primarily involved in the manufacturing and trading in castings for all kinds of auto engineering and other industries.

2. Basis of Preparation

The Financial Statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules 2014 and the relevant provision thereof. All income and expenditure having a material bearing in the Financial Statements are recognized on accrual basis.

2.1 Significant Accounting Policies

A) Use of Estimates

The preparation of Financial Statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statement and the reported amount of revenue and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized.

B) Fixed Asset

Fixed Assets are stated at cost of acquisition inclusive of purchase price, duties, taxes, labour costs and directly attributable costs for in house manufacturing of assets and other direct costs incurred and other incidental expenses, erection/ commissioning expenses etc. (net of Cenvat benefit availed of excise duty, cess, countervailing duty on imported capital goods, and vat/sales tax set off availed, wherever applicable) up to the date, the assets are put to use. Increase or decrease in long term liabilities on account of exchange rate fluctuations has been adjusted in the cost of fixed assets.

C) Depreciation/Amortization

Depreciation on fixed assets is provided over the useful life of the assets based on technological evaluation or the useful life for the tangible assets prescribed under Schedule II of Companies Act, 2013 as under:

| | | |
|------|-----------------------------|--|
| (i) | Building | |
| | -Factory building | 30 Years |
| | -Fences, wells, tube wells | 5 Years |
| | -Temporary structure | 3 Years |
| (ii) | Plant and Equipments | |
| | - Electrical Installation | 10 years |
| | - Bins/crates/trolleys etc. | 3 Years |
| | -Tools and Dies | Period over which expected to be available for use |



| | | |
|-------|------------------------|----------|
| | -Others | 15 years |
| (iii) | Furniture and Fixtures | 10 years |
| (iv) | Vehicles | 8 years |
| (v) | Office Equipments | 5 years |
| (vi) | Computer Hardware | |
| | -Servers and networks | 6 years |
| | -End user devices | 3 years |

The cost of Intangible assets is amortized over a period of four years the estimated economic life of the assets.

D) Impairment

The Company reviews the carrying amounts of its fixed assets annually to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-determined discount rate that reflects the current market assessments of the time value of money and risk specific to the assets.

An impairment loss is charged to the statement of profit and loss in the year in which as assets is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been a change in estimate of the recoverable amount.

E) Inventory

- a) "Finished Goods" and "Work-in-Progress" are valued at lower of cost (Moving Average Price) or net realizable value.
- b) "Raw material", "Stores and Spares", "Gas" and "Material in Transit" are valued at landed cost.

F) Sales

- a) Sales comprise amounts invoiced for goods sold (inclusive of price increase and decrease in respect of sales made in earlier years) inclusive of excise duty, cess, but net of sales tax /VAT and returns/rejections.

G) Purchases

- a) Purchases comprise the cost of material, conversion charges and procurement charges.

H) Liabilities

All liabilities are provided for in the accounts except liabilities of contingent nature which are disclosed in the notes to account.



I) Foreign Currency Transactions

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b) Foreign currency loans covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the Contract.
- c) In the case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rate prevailing at the year end or at the forward rate where forward cover has been taken) is included in the carrying amount of the related fixed assets.
- d) Current Assets and Liabilities (other than those relating to fixed assets and investments) are restated at the rates prevailing at the year end or at the forward rate where forward cover has been taken. The difference between exchange rate at the year end and at the date of the transaction is recognized as income or expense in Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the rate on the date of the transaction is recognized as income or expense in the Profit and Loss Account over the life of the contract.

J) Revenue Recognition

- a) Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.
- b) Revenue is recognised when the significant risks and rewards of ownership of the goods sold have passed to the buyer, which generally coincides with the dispatch of goods to customers.

K) Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets upto the date each assets in put to use. All other borrowing costs are charged to revenue.

L) Income Tax

- a) The provision for income tax for the year is based on the assessable profit as computed in accordance with the Income Tax Act, 1961/Income Tax Rules, 1962.
- b) Deferred tax is recognized subject to consideration, of prudence on timing differences, being the difference between Taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 2 :- Share capital

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | Rs. | Number of shares | Rs. |
| (a) Authorised Equity shares of Rs.10 each | 58,500,000 | 585,000,000 | 58,500,000 | 585,000,000 |
| 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 each | 27,500,000 | 275,000,000 | 27,500,000 | 275,000,000 |
| Total | | 860,000,000 | | 860,000,000 |
| (b) Issued,Subscribed and fully paid up Equity shares of Rs.10 each | 58,500,000 | 585,000,000 | 58,500,000 | 585,000,000 |
| 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 each | 22,040,000 | 220,400,000 | 22,040,000 | 220,400,000 |
| Total | | 805,400,000 | | 805,400,000 |

Refer Notes (i) to (iii) below

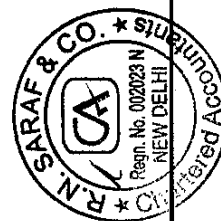
Note :- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year is set out below.

a) Equity Share Capital

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | |
|------------------------------|----------------------|-------------|----------------------|-------------|
| | Number of shares | Rs. | Number of shares | Rs. |
| At the beginning of the year | 58,500,000 | 585,000,000 | 58,500,000 | 585,000,000 |
| Add:- Issued during the year | - | - | - | - |
| At the end of the year | 58,500,000 | 585,000,000 | 58,500,000 | 585,000,000 |

b) 8% Non-Cumulative Redeemable Preference Shares

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | |
|------------------------------|----------------------|-------------|----------------------|-------------|
| | Number of shares | Rs. | Number of shares | Rs. |
| At the beginning of the year | 22,040,000 | 220,400,000 | 22,040,000 | 220,400,000 |
| Add:- Issued during the year | - | - | - | - |
| At the end of the year | 22,040,000 | 220,400,000 | 22,040,000 | 220,400,000 |



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note :- (ii a) Details of shareholder holding more than five percentage of equity shares.

| Name of shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Minda Industries Ltd. and its nominees | 57,330,000 | 98.00 | 57,330,000 | 98.00 |

Note :- (ii b) Equity share held by holding Company

| Name of shareholder | As at 31 March, 2017 | As at 31 March, 2016 |
|--|----------------------|----------------------|
| Minda Industries Ltd. and its nominees | 57,330,000 | 57,330,000 |

Note :- (ii c) Details of shareholder holding more than five percentage of 8% non cumulative redeemable preference shares.

| Name of shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Minda Finance Ltd. | 1,500,000 | 6.81 | 1,500,000 | 6.81 |
| Minda Investments Ltd. | 2,500,000 | 11.34 | 2,500,000 | 11.34 |
| Pioneer Finest Ltd. | 16,790,000 | 76.18 | 16,790,000 | 76.18 |

Note :- (iii) Terms/rights attached is set out below

Each holder of equity shares is entitled to one vote per share.

8% Non cumulative redeemable preference share of Rs. 10 each are redeemable at par at the expiry of 20(Twenty) years from the date of allotment. However, Board shall have an option to redeem the same on or before 20(Twenty) years from the date of allotment keeping in view the ability of the profitability/surplus funds.



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 3 :- Reserves and surplus

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Deficit in Statement of Profit and Loss | | |
| Balance at the beginning of the year | (154,398,804) | (245,468,575) |
| Profit for the year | 50,798,085 | 91,069,771 |
| Balance at the end of the year | (103,600,719) | (154,398,804) |

Note 4 :- Long-term borrowings

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---|----------------------------|----------------------------|
| | Rs. | Rs. |
| Secured loan from Bank | | |
| -From Axis Bank Ltd. -Term Loan | 86,054,310 | 162,054,310 |
| -From ICICI Bank Ltd. -Term Loan -Vehicle Loan | 277,028,807 1,011,813 | 311,657,407 1,651,541 |
| | 364,094,930 | 475,363,257 |
| Unsecured loan | | |
| -From Body Corporate -Deferred Payment Credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Ltd.) | 180,000,000 15,561,382 | 92,774,520 - |
| | 559,656,312 | 568,137,777 |
| Less:- Current maturities of long term debt (refer note 8) | | |
| -From Axis Bank Ltd. -Term Loan | 86,054,310 | 76,000,000 |
| -From ICICI Bank Ltd. -Term Loan -Vehicle Loan | - 69,257,200 706,016 | - 34,628,600 639,728 |
| -Deferred Payment Credit from HSIIDC | 4,668,414 | - |
| Total | 398,970,372 | 456,869,450 |

Terms of Repayment**Asix Bank Ltd.- Term Loan**

- a) from April 2013 to Jan 2014 quarterly installments amounting to Rs. 135 lacs each
b) from April 2014 to Jan 2015 quarterly installments amounting to Rs. 160 lacs each
c) from April 2015 to Jan 2016 quarterly installments amounting to Rs. 185 lacs each
d) from April 2016 to Jan 2017 quarterly installments amounting to Rs. 190 lacs each
e) from April 2017 to Jan 2018 quarterly installments amounting to Rs. 215 lacs each

ICICI Bank Ltd.- Term loan

- a) from Oct 2016 to March 2021 quarterly installments (18 Installments) amounting to Rs.173.14 lacs each

Nature of Security

Term loan from Axis bank Ltd. and ICICI bank Ltd. are pari passu by way of :-

*Equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, Thally Road, Hosur, Tamilnadu, India.

*Equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.

*Hypothecation on all movable fixed assets (except vehicles) of the Borrower both present & future.

*Further secured by way of hypothecation on Borrower's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future.

Vehicle Loan

*secured against hypothecation of respective vehicle financed by them.



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 5 :- Long-term provisions

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---------------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Provision for employee benefits | | |
| For gratuity | 8,727,312 | 8,100,139 |
| For leave encashment | 2,896,121 | 4,813,012 |
| Total | 11,623,433 | 12,913,151 |

Note 6 :- Short-term borrowings

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Secured | | |
| Working Capital Loan from | | |
| - Axis Bank Ltd. | 2,666,984 | 19,322,273 |
| - ICICI Bank Ltd. | - | 14,095,760 |
| Unsecured | | |
| Others | 68,334,924 | 23,253,575 |
| Total | 71,001,908 | 56,671,608 |

Terms of Repayment

Working Capital loan from banks is repayable on demand.

working capital loan from Axis bank ltd. and ICICI bank ltd. are pari passu by way of :-

- First charge by way of hypothecation on Borrower's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.
- Second charge by way of equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, Thally Road, Hosur, Tamilnadu, India.
- Second charge by way of equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.
- Second charge by way of hypothecation on all movable fixed assets (except vehicles) of the Borrower both present & future.

Note 7 :- Trade payables

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Acceptance | - | 29,987,814 |
| Trade payables # | 160,818,301 | 210,091,480 |
| Total | 160,818,301 | 240,079,294 |

Includes Minda industries limited-holding company

1,996,850



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 8 :- Other current liabilities

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| Current maturities of long-term borrowings (refer note 4) | | |
| -From Axis Bank Ltd. | - | - |
| -Term Loan | 86,054,310 | 76,000,000 |
| -From ICICI Bank Ltd. | | |
| -Term Loan | 69,257,200 | 34,628,600 |
| -Vehicle Loan | 706,016 | 639,728 |
| -Deferred Payment Credit from HSIIDC | 4,668,414 | - |
| Interest accrued and due on borrowings | | |
| -Term loan from bank | 829,540 | 1,651,622 |
| -Unsecured loan | 3,046,280 | 1,694,369 |
| -Deferred Payment Credit from HSIIDC | 206,350 | - |
| Interest accrued and but not due on borrowings | | |
| -Deferred Payment Credit from HSIIDC | 150,071 | - |
| Capital creditors | - | 11,687,617 |
| Employee stock option expense payable to Minda industries limited - Holding company | 933,344 | - |
| Advance from customers / customer at credit | 2,749,912 | 38,267 |
| Other payables | | |
| -Provident fund and Other funds | 1,196,471 | 1,213,625 |
| -Excise and Service Tax | 1,381,126 | 1,328,651 |
| -Sales Tax ,VAT and WCT | 2,561,246 | 16,745 |
| -Tax deducted and collected at Source | 1,699,633 | 3,596,433 |
| Total | 175,439,913 | 132,495,657 |

Note 9 :- Short-term provisions

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---------------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Provision for employee benefits | | |
| For gratuity | 128,446 | 95,775 |
| For leave encashment | 71,648 | 278,686 |
| Total | 200,094 | 374,461 |



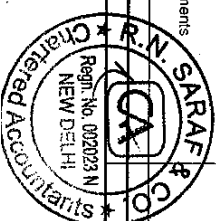
Notes to financial statements for the year ended 31 March, 2017

Note 10 :- Fixed assets

| A. | Tangible assets | Gross block | | | | Accumulated depreciation | | | | Net block | |
|----|----------------------------|-------------------------------------|---|---|-------------------------------------|-------------------------------------|----------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | | Balance as at 01 April, 2016 Rs. | Additions / transfer during the year Rs. | Disposals / transfer during the year Rs. | Balance as at 31 March, 2017 Rs. | Balance as at 01 April, 2016 Rs. | Depreciation for the year Rs. | Eliminated on Disposal / transfer of assets during the year Rs. | Balance as at 31 March, 2017 Rs. | Balance as at 31 March, 2017 Rs. | Balance as at 31 March, 2016 Rs. |
| | (a) Freehold Land | 170,871,670 | 15,561,382 | | 186,433,052 | - | 9,328,785 | | - | 186,433,052 | 170,871,670 |
| | (b) Buildings | 233,068,733 | 6,265,770 | | 239,334,503 | 27,190,416 | 9,328,785 | | 36,517,201 | 202,817,303 | 205,878,317 |
| | (c) Plant and Equipment | 1,058,542,722 | 128,274,069 | | 1,186,816,812 | 330,741,850 | 159,528,869 | | 490,270,719 | 696,546,093 | 727,800,873 |
| | (d) Furniture and Fixtures | 4,709,959 | 49,875 | | 4,759,834 | 1,914,978 | 476,678 | | 2,391,657 | 2,368,178 | 2,794,981 |
| | (e) Vehicles | 4,866,695 | | 2,654,116 | 2,212,579 | 1,244,178 | 363,957 | 1,170,548 | 437,587 | 1,774,992 | 3,622,517 |
| | (f) Office equipment | 4,897,778 | 675,993 | | 5,573,771 | 2,682,419 | 983,626 | | 3,686,045 | 1,907,726 | 2,215,359 |
| | (g) Computer hardware | 5,247,430 | 1,212,277 | . | 6,459,707 | 3,700,843 | 716,506 | | 4,417,349 | 2,042,359 | 1,546,567 |
| | Total | 1,482,204,988 | 152,039,387 | 2,654,116 | 1,631,590,259 | 367,474,685 | 171,396,420 | 1,170,548 | 537,700,557 | 1,093,889,702 | 1,114,730,303 |
| | Previous year | 1,392,842,261 | 89,362,727 | - | 1,482,204,988 | 222,157,117 | 145,317,568 | - | 367,474,685 | 1,114,730,303 | 1,170,685,144 |

| | Gross block | | | | Accumulated amortisation | | | | Net block | |
|-------|-------------------|------------------------------|--------------------------------------|--------------------------------------|------------------------------|------------------------------|---------------------------|---|------------------------------|------------------------------|
| B. | Intangible assets | Balance as at 01 April, 2016 | Additions / transfer during the year | Disposals / transfer during the year | Balance as at 31 March, 2017 | Balance as at 01 April, 2016 | Amortisation for the year | Eliminated on Disposal / transfer of assets during the year | Balance as at 31 March, 2017 | Balance as at 31 March, 2016 |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (a) | Computer Software | 3,856,391 | 1,198,530 | - | 5,054,921 | 3,475,966 | 169,195 | - | 3,645,151 | 1,409,770 |
| Total | | 3,856,391 | 1,198,530 | - | 5,054,921 | 3,475,966 | 169,195 | - | 3,645,151 | 380,435 |
| | Previous year | 3,673,246 | 183,145 | - | 3,856,391 | 2,779,692 | 696,264 | - | 3,475,966 | 893,554 |

| C | Gross block | | | | Accumulated depreciation | | | | Net block | |
|--------------------------|------------------------------|--------------------------------------|-------------------------------------|------------------------------|------------------------------|---|---|------------------------------|------------------------------|------------------------------|
| | Balance as at 01 April, 2016 | Additions / transfer during the year | Disposals/ transfer during the year | Balance as at 31 March, 2017 | Balance as at 01 April, 2016 | Depreciation/ Amortisation for the year | Eliminated on Disposal/transfer of assets during the year | Balance as at 31 March, 2017 | Balance as at 31 March, 2017 | Balance as at 31 March, 2016 |
| Capital work-in-progress | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (a) Building | 1,122,052 | | 1,122,052 | - | - | - | - | - | - | 1,122,052 |
| (b) Plant and Equipment | 26,044,632 | 1,554,345 | 26,044,632 | 1,554,345 | - | - | - | - | 1,554,345 | 26,044,632 |
| (c) Office Equipments | 48,089 | | 48,089 | - | - | - | - | - | - | 48,089 |
| Total | 27,214,773 | 1,554,345 | 27,214,773 | 1,554,345 | - | - | - | - | 1,554,345 | 27,214,773 |
| Previous year | 3,498,918 | 27,214,773 | 3,498,918 | 27,214,773 | - | - | - | - | 27,214,773 | 3,498,918 |



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 11 :- Non current Investments

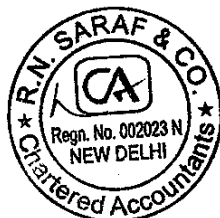
| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| (At cost- Unquoted-Trade investment) | | |
| Investment in Equity Instruments | | |
| 16,600 Equity shares of Rs. 10 each of OPG power generation private limited fully paid up | 182,600 | 182,600 |
| Total | 182,600 | 182,600 |

Note 12 :- Deferred tax assets (net)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| Deferred tax liability | | |
| Difference between tax depreciation and depreciation/amortisation charged for the financial reporting | 69,705,000 | 82,745,000 |
| Gross deferred tax liability | 69,705,000 | 82,745,000 |
| Deferred tax asset | | |
| Provision for doubtful advances | 156,000 | 315,000 |
| Provision for employee benefits | 3,911,000 | 4,086,000 |
| Minimum Alternative Tax | 11,220,000 | - |
| Unabsorbed depreciation and carry forward losses under Income Tax Act | 112,501,000 | 150,232,000 |
| Gross deferred tax asset | 127,788,000 | 154,633,000 |
| Deferred tax assets (Net) | 58,083,000 | 71,888,000 |

Note 13 :- Long-term loans and advances (Unsecured , considered good)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|-------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Security deposits | 14,730,350 | 12,292,102 |
| Total | 14,730,350 | 12,292,102 |



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 14 :- Inventories

(As taken, valued and certified by the management)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Raw materials | 21,826,928 | 21,313,458 |
| Work-in-progress | 28,151,567 | 29,105,267 |
| Finished goods (Goods in transit Rs. 94.87 lacs - last year Rs. Nil) | 13,416,869 | 5,542,082 |
| Stores and spares (including Gas and fuel) | 34,854,719 | 22,511,035 |
| Total | 98,250,083 | 78,471,842 |

Note 15 :- Trade receivables

(Unsecured, considered good)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Outstanding for a period exceeding six months from the date they are due for payment | 130,989 | 641,130 |
| Other receivables | 207,787,949 | 208,061,059 |
| Total | 207,918,938 | 208,702,189 |

Note 16 :- Cash and cash equivalents

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Balances with banks | | |
| On current accounts | 612,867 | 717,298 |
| On cash credit account | 2,886,825 | - |
| Cash on hand | 210,152 | 403,463 |
| Silver coins | 26,425 | 21,450 |
| Total | 3,736,269 | 1,142,211 |

* Silver coins in numbers

48

38



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 17 :- Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| Capital Advance | 12,208,248 | 3,758,014 |
| Suppliers advance | | |
| -Considered good # | 4,079,373 | 2,096,666 |
| -Considered doubtful | 481,439 | 970,470 |
| Other advances | 9,676,994 | 10,254,022 |
| Security deposits | 879,127 | 772,900 |
| Loans and advances to employees | 701,212 | 1,203,328 |
| Prepaid expenses | 4,801,664 | 6,168,549 |
| Balances with government authorities | | |
| -CENVAT/ Service Tax | 2,643,873 | 7,301,545 |
| -VAT | - | 1,439,650 |
| Taxes Paid/deducted at source (Net off provision) | 2,432,880 | 31,556 |
| | 37,904,809 | 33,996,699 |
| Less:-Provision for doubtful advances | 481,439 | 970,470 |
| Total | 37,423,370 | 33,026,229 |

Includes Minda industries limited-holding company

65,023

Note 18 :- Other current assets

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Deposit with bank original maturity for less than 12 month * | 1,721,091 | 1,611,959 |
| Interest accrued on security deposit | 953,785 | 762,173 |
| Total | 2,674,876 | 2,374,132 |

* Includes amount as lien for guarantee with Pollution Control Board Haryana

1,101,473

1,101,473



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 19 :- Revenue from operations

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Sale of products | 2,284,942,246 | 2,096,213,063 |
| Other operating revenues | | |
| - Job work /Development income | 5,077,739 | |
| - Sale of Tools and Dies | 3,033,141 | 3,993,750 |
| - Sale of scrap | 15,401,034 | 14,818,517 |
| | 2,308,454,159 | 2,115,025,330 |
| Less: | | |
| Excise duty | 283,672,844 | 244,911,970 |
| Total | 2,024,781,315 | 1,870,113,360 |

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---------------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Sale of products comprises | | |
| Aluminium Parts | 2,284,942,246 | 2,096,213,063 |
| Total - Sale of products | 2,284,942,246 | 2,096,213,063 |

Note 20 :- Other income

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Interest income: | | |
| . On Bank deposits | 121,321 | 135,093 |
| . On Income tax refund | - | 2,912 |
| - Others | 709,713 | 891,155 |
| Provision for doubtful advance written back | 489,031 | - |
| Total | 1,320,065 | 1,029,160 |



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 21 :- Cost of materials consumed

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Inventories at the beginning of the year | 21,313,458 | 29,952,755 |
| Add: Purchases during the year | 1,145,483,836 | 998,307,279 |
| | 1,166,797,294 | 1,028,260,034 |
| Less: Inventories at the end of the year | 21,826,928 | 21,313,458 |
| | 1,144,970,366 | 1,006,946,576 |

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Raw Materials consumed comprises | | |
| Aluminium | 1,079,527,081 | 918,199,045 |
| Paints, Chemicals and others | 65,443,285 | 88,747,531 |
| Total | 1,144,970,366 | 1,006,946,576 |

Note 22 :- Purchases of stock-in-trade

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Purchase of Tools & Dies | 2,096,125 | 3,553,600 |
| Total | 2,096,125 | 3,553,600 |

Note 23 :- Changes in inventories of finished goods and work-in-progress

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Inventories at the end of the year: | | |
| Finished goods | 13,416,869 | 5,542,082 |
| Work-in-progress | 28,151,567 | 29,105,267 |
| | 41,568,436 | 34,647,349 |
| Inventories at the beginning of the year: | | |
| Finished goods | 5,542,082 | 7,318,405 |
| Work-in-progress | 29,105,267 | 23,774,065 |
| | 34,647,349 | 31,092,469 |
| Net (increase) / decrease | (6,921,087) | (3,554,880) |



MJ Casting Limited.

Notes to financial statements for the year ended 31 March, 2017

Note 24 :- Employee benefits expense

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Salaries, wages and other allowances | 186,582,010 | 160,954,422 |
| Contributions to provident and other funds | 7,590,587 | 6,341,388 |
| Gratuity | 1,756,475 | 3,612,996 |
| Leave encashment | 327,844 | 3,131,390 |
| Employee stock option expenses | 933,344 | |
| Staff welfare | 16,016,710 | 13,267,230 |
| Total | 213,206,970 | 187,307,426 |

Note 25 :- Finance costs

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|-------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Interest | | |
| -To banks | 56,594,352 | 67,293,173 |
| -To others | 20,129,656 | 34,538,115 |
| Financial charges | 1,250,526 | 1,570,084 |
| Total | 77,974,534 | 103,401,372 |

Note 26 :- Depreciation and amortisation expense

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Depreciation for the year on tangible assets (refer note 10A) | 171,396,420 | 145,317,568 |
| Amortisation for the year on intangible assets (refer note 10B) | 169,195 | 696,264 |
| Total | 171,565,616 | 146,013,832 |



MJ Casting Limited.**Notes to financial statements for the year ended 31 March, 2017****Note 27 :- Other expenses**

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Consumption of stores and spare parts | 94,302,150 | 84,802,744 |
| Power and fuel | 140,830,088 | 136,665,193 |
| Job Work Charges | 8,227,225 | 6,319,242 |
| Rent / Lease rent | 10,643,589 | 273,825 |
| Repairs | | |
| - Buildings | 9,439,446 | 6,381,963 |
| - Machinery | 19,290,796 | 15,519,671 |
| - Others | 382,791 | 896,203 |
| Insurance | 1,236,079 | 654,454 |
| Rates and taxes | 2,113,044 | 2,577,049 |
| Communication | 1,293,672 | 1,084,900 |
| Travelling and conveyance | 10,820,966 | 9,359,633 |
| Printing and stationery | 1,301,773 | 1,494,098 |
| Freight and forwarding | 34,112,927 | 20,228,098 |
| Business promotion | 569,693 | 504,703 |
| Legal and professional | 3,963,493 | 3,125,968 |
| Provision for doubtful trade advances | - | 251,172 |
| Management fees | 4,961,153 | - |
| Loss on sale/discard of fixed assets | 1,288,602 | - |
| Payments to auditor | | |
| - For Audit | 476,500 | 375,300 |
| - For Tax Audit | 75,000 | 75,000 |
| - For Limited review | 225,000 | - |
| - For Income Tax matter | 75,000 | 60,000 |
| Miscellaneous expenses | 1,756,783 | 2,007,609 |
| Total | 347,385,771 | 292,656,823 |

Note 28 :- Contingent Liabilities and Commitments

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---|--------------------------------------|--------------------------------------|
| | Rs. | Rs. |
| Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) | 11,879,253 | 29,500,845 |
| Bank Gaurantee given to custom and others | 4,950,000 | 4,950,000 |
| Total | 16,829,253 | 34,450,845 |



M J CASTING LIMITED**Notes to financial statement for the year ended 31 March, 2017****Note 29 Additional information to the financial statements****1) Managerial Remuneration**

| | This Year (Rs. In `000) | Last Year (Rs. In `000) |
|---|--|--|
| Salary and other allowance | 4,425 | 7,099 |
| House Rent Allowance | 1,872 | 1,849 |
| Contribution to Provident fund and other fund | 524 | 740 |
| Reimbursement of medical expenses | 15 | 15 |

Excluding value of perquisites of telephone, car and reimbursement of expenses on conveyance, refreshment, membership fee and uniform.

Exclusive of provision for future liabilities in respect of gratuity and leave encashment which are based on actuarial valuation done on overall company basis.

2) Disclosure of Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 30th March, 2017 on the details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. The denomination wise SBNs and other notes as per the notification is given below.

| (Rs. In `000) | | | |
|--|--------------|---------------------------------|--------------|
| Particulars | SBNs* | Other Denomination Notes | Total |
| Closing Cash in hand as on 8th November, 2016 | 185 | 71 | 256 |
| (+) Permitted receipts | - | 331 | 331 |
| (-) Permitted payments | - | (275) | (275) |
| (-) Amount deposited in Banks | (185) | - | (185) |
| Closing Cash in hand as on 30 th December, 2016 | - | 127 | 127 |

*For the purposes of this clause the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, In the ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated the 8th November, 2016.



M J CASTING LIMITED**Notes to financial statement for the year ended 31 March, 2017****3) EMPLOYEE STOCK COMPENSATION COST**

The Company has participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') has approved the grant of 42,000 equity shares of face value of Rs. 2/- to its whole time director Mr. Atul Swaroop in terms of the Employee Stock Option Scheme 2016. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

| Scheme | Year | Date of Grant | Number of options Granted | Vesting Conditions | Exercise period | Exercise price (INR) per share |
|---|------|--------------------|---|---|---------------------------------|--------------------------------|
| Minda Employee Stock Option Scheme 2016 | 2016 | 23rd November 2016 | 42,000 options of Equity shares of face value of Rs. 2/- each | Achieving target of market capitalization of the parent Company on or before March 31, 2018 | 1 Year from the date of vesting | 180.00 |

| Number of Shares Options | | | | | | | |
|---|------|--|---|------------------------------------|---------------------------|------------------------------------|---|
| Scheme | Year | Outstanding at the beginning of the year | Granted during the year | Forfeited /expired during the year | Exercised during the year | Exercisable at the end of the year | Outstanding at the end of the year |
| Minda Employee Stock Option Scheme 2016 | 2016 | - | 42,000 options of Equity shares of face value of Rs. 2/- each | - | - | - | 42,000 options of Equity shares of face value of Rs. 2/- each |

The Parent Company has adopted the intrinsic value method as permitted by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (as amended from time from time) and the Guidance Note on Accounting for Employee Share Based payment issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's profit for the year and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes model. The Parent Company has determined the fair value of the underlying shares by an independent valuer.



| | For the year ended 31 March 2017 |
|--|-------------------------------------|
| Profit for the year | 50,798,085 |
| Less: Increase in employee compensation cost based on fair value | (153,547) |
| Profit for the year as per fair value method | 50,644,538 |
| Basic Earnings Per Share (EPS) | |
| Weighted average number of equity shares | 58,500,000 |
| Basic EPS as reported (in Rs.) | 0.87 |
| Proforma Basic EPS (in Rs.) | 0.87 |
| Diluted Earnings Per Share (EPS) | |
| Weighted average number of equity shares (including dilutive ESOP value) | 58,500,000 |
| Dilutive EPS as reported (in Rs.) | 0.87 |
| Proforma Dilutive EPS (in Rs.) | 0.87 |
| Weighted average remaining contractual life of options (in years) | 1.85 years |

The following assumptions were used for calculation of fair value of grants:

| | As at 31st March 2017 | As at 31st March 2016 |
|----------------------------------|-----------------------------|-----------------------------|
| Risk -free interest rate (%) | 6.13% | NA |
| Expected life of options (years) | 1.85 Year | NA |
| Expected volatility (%) | 43.62% | NA |
| Dividend yield | 4.61% | NA |

The risk free interest rates are determined based on the zero - coupon yield curve for Government Securities or Government bonds with maturity equal to the expected term of the option. Volatility calculation is based on annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The historical period taken into account to match the expected life of the option. Dividend yield has been arrived by dividing the dividend for the period with the current market price.

Effect of share-based payment plan on the statement of Profit and Loss:

| | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------------|-----------------------------|
| Expense arising from employee share-based payment plan (Rs.) | 933,342 | Nil |

The Company accounts for Equity Stock Options of the Parent Company as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Guidance Note on Employee Share Based Payment issued by The Institute of Chartered Accountants of India using intrinsic value method.

During the year Minda Industries Limited, parent company, has granted 42,000 options to Mr. Atul Swaroop, Whole time Director, to subscribe for 42,000 equity shares of Rs.2 each (face value).

A sum of Rs. 35,74,200/- towards these options have been evaluated, by considering the total period from 23rd November 2016 (Date of Grant) to 31 March 2018, vesting period, being the difference of exercise price and applicable market price. Accordingly, proportionate sum applicable to the period ended on 31 March 2017, of Rs. 933,342/- has been contributed to Minda Industries Limited. The same has been charged to statement of Profit and Loss.



M J CASTING LIMITED**Notes to financial statement for the year ended 31 March, 2017****4) Related party disclosure**

a) Venture in respect of which the company is a joint venture up to 31st July 2015:-

- Minda Industries Limited.
- Neel Metal Product Limited.

b) Holding company W.e.f 1st August 2015:-

- Minda Industries Limited.

c) Fellow subsidiary :-

- Minda Kosei Aluminum Wheel Private Limited
- Minda Storage Batteries Private Limited
- Minda Auto Components Limited

d) Particulars of related party transactions :-

| Nature of transactions | This Year (Rs. In `000) | Last Year (Rs. In `000) |
|---|------------------------------------|------------------------------------|
| <u>Minda Industries Limited as Holding company</u> | | |
| Sales of Raw material | 255 | - |
| Purchase of Raw Material | 47,123 | - |
| Consultancy Fees | 1,333 | 735 |
| Management Fees | 4,961 | - |
| Employee Stock Option expenses | 933 | - |
| Job work income | 4,166 | - |
| Reimbursement of expenses paid | 3,475 | 2,320 |
| Reimbursement of expenses received | 362 | - |
| Balance outstanding at the end of the year | | |
| Trade Payable / (advance) | 1,997 | (65) |
| Other current liabilities | 933 | - |
| <u>Minda Industries Limited as Joint venture</u> | | |
| Sale of Raw Material | - | 1,143 |
| Consultancy Fees | - | 1,098 |
| Reimbursement of expenses | - | 237 |
| Balance outstanding at the end of period / year | | |
| Trade Payable / (advance) | - | 1,019 |

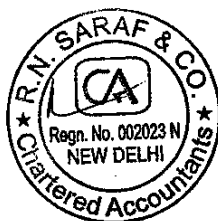


M J CASTING LIMITED

Notes to financial statement for the year ended 31 March, 2017

| Nature of transactions | This Year (Rs. In `000) | Last Year (Rs. In `000) |
|--|----------------------------|----------------------------|
| <u>Neel Metal Product Limited</u> | | |
| Repayment of unsecured loan | - | 30,000 |
| Interest paid | - | 954 |
| Balance outstanding at the end of the year | | |
| Unsecured Loan | - | - |
| <u>Minda Kosei Aluminum Wheel Private Limited</u> | | |
| Purchase of goods | 18 | - |
| Balance outstanding at the end of the year | | |
| Trade Payable / (advance) | - | - |
| <u>Minda Storage Batteries Private Limited</u> | | |
| Unsecured Loan | 180,000 | - |
| Interest Paid | 6,029 | - |
| Balance outstanding at the end of the year | | |
| Long-term borrowings | 180,000 | - |
| Other current liabilities | 2,996 | |
| <u>Minda Auto Components Limited</u> | | |
| Reimbursement of expenses | 28 | - |
| Balance outstanding at the end of the year | - | - |
| Trade Payable / (advance) | - | - |

- 5) Ministry of Micro and Small Enterprises has issued as office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs' Memorandum number as allocated after filling of the Memorandum. Based of the information available with the management, there are no overdue outstanding to Micro and Small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. Further the company has not received any claim for interest from any suppliers under the said Act.



M J CASTING LIMITED**Notes to financial statement for the year ended 31 March, 2017****6) Earning per Share**

Earnings Per Share (E.P.S.) computed in accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India.

| Particulars | This Year | Last Year |
|--|------------|------------|
| Profit attributable to equity shareholder (In Rs.) | 50,798,085 | 91,069,771 |
| Weighted average number of Equity Shares outstanding during the year (in Nos.) | 58,500,000 | 58,500,000 |
| Basic earning per Share in Rupees (Face value Rs. 10 per share) (In Rs.) | 0.87 | 1.56 |
| Diluted earning per Share in Rupees (Face value Rs. 10 per share) (In Rs.) | 0.87 | 1.56 |

7) Value of import calculated on CIF basis

| Particulars | This Year (Rs.) | Last Year (Rs.) |
|-----------------|--------------------|--------------------|
| Raw material | 82,170,646 | 170,174,747 |
| Stores & spares | 5,055,726 | 2,190,982 |
| Capital goods | 36,251,176 | 10,828,991 |

8) Value and percentage of Imported and Indigenous Raw Material Consumption

| Particulars | This Year (Rs.) | Last Year (Rs.) |
|---------------------|--------------------|--------------------|
| Imported (Rs.) | 75,045,418 | 170,174,747 |
| Percentage of total | 7% | 17% |
| Indigenous(Rs.) | 1,069,924,948 | 836,771,829 |
| Percentage of total | 93% | 83% |



M J CASTING LIMITED

Notes to financial statement for the year ended 31 March, 2017

9) Value and percentage of Imported and Indigenous Stores, Spares and Components

| Particulars | This Year (Rs.) | Last Year (Rs.) |
|---------------------|--------------------|--------------------|
| Imported (Rs.) | 4,029,545 | 1,799,095 |
| Percentage of total | 4% | 2% |
| Indigenous(Rs.) | 90,272,606 | 83,003,649 |
| Percentage of total | 96% | 98% |

10) Expenditure in foreign currency (accrual basis)

| Particulars | This Year (Rs.) | Last Year (Rs.) |
|---------------------|--------------------|--------------------|
| Travelling Expenses | - | 131,806 |

11) Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
Registration no. 002023N

R.N. SARAF, F.C.A.
Membership No. 12439
2659/2, Gurdwara Road,
Karol Bagh, New Delhi - 110 005



For and on behalf of the Board of Directors

Anil Swaroop
Whole-Time Director
Din No. 00793122

Sanjay Jain
Director
Din No. 03364405

Umesh C Joshi
(CFO)
PAN- AFKPJ7838J

Place : New Delhi
Date : May 8 ,2017

Place : New Delhi
Date : May 8 ,2017