

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 Ind AS financial statements of **M J CASTING LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (collectively referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS 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 of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of The Act.

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 Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the statement of affairs (financial position) of the Company as at 31st March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2018, 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 disclosure in the financial statements regarding holdings as well as dealing in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

Place: Gurgaon
Date: 11th May, 2018



For R.N. SARAF & CO.
CHARTERED ACCOUNTANTS
(Registration No. 002023N)

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

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

**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 2018**

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 2013, 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, goods and service tax and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31st, 2018 for a period of more than six months from the date they became payable.



- (b) There is no material dues of income tax, sales tax, service tax, duty of customs or duty of excise, value added tax, goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.
- (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: Gurgaon
Date: 11th May, 2018



For R.N. SARAF & CO.
CHARTERED ACCOUNTANTS
(Registration No. 002023N)

R.N. Saraf

R.N. SARAF, F.C.A.
Membership No. 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, 2018 in conjunction with our audit of the Ind AS 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, 2018 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: Gurgaon
Date: 11th May, 2018



For R.N. SARAF & CO.
CHARTERED ACCOUNTANTS
(Registration No. 002023N)

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

M J Casting Limited
Balance Sheet

(₹ in lacs, unless otherwise stated)

Particulars	Note	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
		₹	₹	₹
A				
(1) ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	9,972.60	10,938.90	11,147.30
(b) Capital work-in-progress	5	275.91	15.54	272.15
(c) Intangible assets	4	13.82	14.10	3.80
(d) Financial assets				
(i) Investments	6	2.50	1.83	1.83
(ii) Other financial assets	7	102.93	147.30	122.92
(e) Deferred tax assets (net)	8	472.38	581.36	718.88
Sub-total - Non-current assets		10,840.14	11,699.02	12,266.88
(2) Current assets				
(a) Inventories	9	869.13	982.50	784.72
(b) Financial assets				
(i) Trade receivables	10	4,183.64	2,079.19	2,087.02
(ii) Cash and cash equivalents	11	29.94	37.10	11.21
(iii) Bank balances other than cash and cash equivalents	12	18.37	17.21	16.09
(iv) Other financial assets	13	19.52	18.32	15.35
(c) Current tax assets (net)	14	-	24.33	0.32
(d) Other current assets	15	200.99	341.37	322.45
Sub-total - Current assets		5,321.59	3,500.02	3,237.16
TOTAL - ASSETS		16,161.73	15,199.04	15,504.04
B				
(1) EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	5,850.00	5,850.00	5,850.00
(b) Other equity	17	470.75	(1,037.01)	(1,543.99)
Sub-total - Shareholders' funds		6,320.75	4,812.99	4,306.01
(2) Liabilities				
(a) Non-current liabilities				
(i) Financial liabilities				
-8% Non-cumulative redeemable preference shares	18	2,204.00	2,204.00	2,204.00
-Borrowings	19	1,462.96	3,989.70	4,568.69
(ii) Provisions	20	152.58	116.24	129.13
Sub-total - Non-current liabilities		3,819.54	6,309.94	6,901.82
(b) Current liabilities				
(i) Financial liabilities				
-Borrowings	21	1,842.26	710.02	566.72
-Trade payables	22	2,928.32	1,608.18	2,400.79
-Other financial liabilities	23	736.66	1,660.04	1,263.02
(ii) Current tax liabilities (net)	24	1.78	-	-
(iii) Other current liabilities	25	504.95	95.87	61.94
(iv) Provisions	26	7.47	2.00	3.74
Sub-total - Current liabilities		6,021.44	4,076.11	4,296.21
TOTAL - EQUITY AND LIABILITIES		16,161.73	15,199.04	15,504.04

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, Gurudwara Road,
Karol Bagh, New Delhi - 110 005

Place : Gurgaon
Date : May 11, 2018



For and on behalf of the board of directors

Anil Saxena
Whole time director
DIN No. 00793122

Pawan Agrawal
Chief finance officer
PAN- AGQPA7321N

Sanjay Jain
Director
DIN No. 03364405

Lalit Khubchandani
Company secretary
Membership No. A38912

Place : Gurgaon
Date : May 11, 2018

M J Casting Limited

(₹ in lacs, unless otherwise stated)

Statement of Profit and Loss

Particulars		Note	For the year ended 31 March, 2018	For the year ended 31 March, 2017
			₹	₹
A	Income			
	(i) Revenue from operations	27	28,950.81	23,084.54
	(ii) Other income	28	57.28	13.20
	Total Income		29,008.09	23,097.74
B	Expenses			
	(i) Cost of materials consumed	29	16,373.00	11,449.70
	(ii) Purchases of stock-in-trade	30	103.15	20.96
	(iii) Changes in inventories of finished goods, work-in-progress and stock in trade	31	86.91	(69.21)
	(iv) Excise duty on sales		844.59	2,836.73
	(v) Employee benefits expense	32	2,895.34	2,141.70
	(vi) Finance costs	33	474.36	779.75
	(vii) Depreciation and amortisation expense	34	1,660.66	1,715.66
	(viii) Other expenses	35	4,520.44	3,473.86
	Total expenses		26,958.45	22,349.15
C	Profit before tax (A - B)		2,049.64	748.59
D	Tax expense:			
	(i) Current tax	36	446.44	112.20
	(ii) Deferred tax		221.20	134.72
	Total tax expenses		667.64	246.92
E	Net profit for the year (C - D)		1,382.00	501.67
F	Other Comprehensive income for the year			
	(i) Items that will not be reclassified to profit or loss			
	-Remeasurements of post employment benefit obligations		13.54	8.10
	-Deferred tax on remeasurements of post employment benefit obligations		4.69	2.80
	Other comprehensive income for the year, net of tax		8.85	5.30
	Total comprehensive income for the year (E + F)		1,390.85	506.97
G	Earnings per share (Nominal value per share of ₹ 10/- each):			
	-Basic (in ₹)	37(a)	2.36	0.86
	-Diluted (in ₹)	37(b)	2.36	0.86

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

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

Place : Gurgaon
 Date : May 11, 2018



For and on behalf of the board of directors

Atul Swarup
 Atul Swarup
 Whole time director
 Din No. 00793122

Rajwan Aggarwal
 Rajwan Aggarwal
 Chief finance officer
 PAN- AGQPA7321N

Place : Gurgaon
 Date : May 11, 2018

Sanjay Jain
 Sanjay Jain
 Director
 Din No. 03364405

Lalit Khubchandani
 Lalit Khubchandani
 Company secretary
 Membership No. A38912

MJ Casting Limited

(₹ in lacs, unless otherwise stated)

Statement of change in Equity**A Equity share capital**

Particulars	Note	Amount
		₹
As at 01 April, 2016		5,850.00
Changes in Equity Share Capital	16	-
As at 31 March, 2017		5,850.00
Changes in Equity Share Capital	16	-
As at 31 March, 2018		5,850.00

B Other equity

Particulars	Reserve & Surplus
	Retained Earnings
	₹
Balance as at 1 April, 2016	(1,543.99)
- Profit for the year	501.67
- Other comprehensive income for the year	8.10
- Deferred tax on OCI	(2.80)
	506.97
Balance as at 31 March, 2017	(1,037.01)
- Profit for the year	1,382.00
- Other comprehensive income for the year	13.54
- Deferred tax on share based payment	116.91
- Deferred tax on OCI	(4.69)
	1,507.76
Balance as at 31 March, 2018	470.75

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, Gurudwara Road,
 Karol Bagh, New Delhi - 110 005

Place : Gurgaon
 Date : May 11, 2018



For and on behalf of the board of directors

Atul Saroop
 Whole time director
 Din No. 00793122

Pawan Agrawal
 Chief finance officer
 PAN- AGQPA7321N

Place : Gurgaon
 Date : May 11, 2018

Sanjay Jain
 Director
 Din No. 03364405

Lalit Khubchandani
 Company secretary
 Membership No. A38912

MJ Casting Limited
Cash Flow Statement

(₹ in lacs, unless otherwise stated)

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	₹	₹	₹	₹
A				
Cash flow from operating activities				
Net Profit before tax	2,049.64		748.59	
<u>Adjustments for:</u>				
Actuarial Gain considered under OCI	13.54		8.10	
Provision for doubtful debts/advances	28.69		-	
Depreciation and amortisation	1,660.66		1,715.66	
Loss on sale / discard of fixed assets	3.51		12.89	
Finance costs	474.36		779.75	
Interest income	(9.28)		(8.31)	
	4,221.12		3,256.68	
Operating profit / (loss) before working capital changes		4,221.12		3,256.68
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	113.37		(197.78)	
Trade receivables	(2,133.14)		7.83	
Other financial assets	43.17		(27.35)	
Current tax asset	24.33		(24.01)	
Other current assets	140.38		(18.92)	
Bank Balance other than cash & cash equivalents	(1.16)		(1.12)	
		(1,813.05)		(261.36)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	1,320.14		(792.61)	
Other financial liabilities	(923.38)		397.02	
Current tax liabilities	1.78		-	
Other current liabilities	409.08		33.93	
Short-term provisions	5.47		(1.74)	
Long-term provisions	36.34	849.43	(12.89)	(376.29)
		3,257.49		2,619.03
Income taxes paid		(446.44)		(112.20)
Net cash flow from / (used in) operating activities (A)		2,811.05		2,506.83
B				
Cash flow from investing activities				
Capital expenditure on fixed assets	(962.68)		(1,275.77)	
Proceeds on sale of fixed assets	4.72		1.95	
Proceeds on encashment of Equity Shares of OPG power generation private ltd.	0.15		-	
Investment in Equity Shares of OPG power generation private limited	(0.82)		-	
Interest received from bank	9.28		8.31	
		(949.34)		(1,265.52)
Net cash flow from / (used in) investing activities (B)		(949.34)		(1,265.52)
C				
Cash flow from financing activities				
Repayment of long-term borrowings	(2,526.74)		(578.99)	
Proceeds from other short-term borrowings	1,132.24		143.30	
Finance cost	(474.36)		(779.75)	
		(1,868.86)		(1,215.45)
Net cash flow from / (used in) financing activities (C)		(1,868.86)		(1,215.45)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(7.16)		25.89
Cash and cash equivalents at the beginning of the year		37.10		11.21
Cash and cash equivalents at the end of the year		29.94		37.10
Comprises:				
Balances with banks				
On current accounts		6.67		6.13
On cash credit accounts		18.67		28.86
Cash on hand		4.60		2.11
Cash and cash equivalent as per Balance Sheet (Note 11)		29.94		37.10
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, Gurudwara Road,
Karol Bagh, New Delhi - 110 005

Place : Gurgaon
Date : May 11, 2018



For and on behalf of the Board of Directors

Atul Sharma
Whole time director
Din No. 00793122

Pawan Agrawal
Chief finance officer
PAN- AGQPA7321N

Place : Gurgaon
Date : May 11, 2018

Sanjay Jain
Director
Din No. 03354405

Lalit Khubchandani
Company secretary
Membership No. A38912

M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

Note 1: Corporate Information

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.

Note 2: Basis of Preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in **Note 48**.

The financial statements were authorised for issue by the Company's Board of Directors on 11th May, 2018.

All income and expenditure having a material bearing in the financial statements are recognized on accrual basis.

Details of the Company's accounting policies are included in **Note 3**.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

(a) Certain financial assets and liabilities	Fair value
(b) Net defined benefit (asset)/ liability	Present value of defined benefit obligations



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Areas involving critical estimates or judgements are:

- Estimation of current tax expense – **Note 36**
- Estimation of fair value of unlisted securities – **Note 6**
- Estimation of defined benefit obligation – **Note 42**
- Recognition and measurement of commitments and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – **Note 38 & 39**

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable -inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 43** – share-based payment;
- **Note 47** – financial instruments.



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

Note 3: Significant Accounting Policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

A) Foreign currency

- i. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.
- ii. 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 contract and exchange rate on the date of transaction.
- iii. 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 transaction is recognized as income or expense in Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the rate on the date of transaction is recognized in Statement of Profit and Loss.

B) Financial Instruments

- i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

- ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL : These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 3(b)(iii) for derivatives designated as hedging instruments.

Financial assets at amortised cost : These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI : These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See Note 3(b)(iii) for financial liabilities designated as hedging instruments.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

C) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- (a) expected to be realised in, or is intended to be sold or consumed in normal operating cycle;
- (b) held primarily for the purpose of being traded;
- (c) expected to be realised within 12 months after the reporting date; or



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

- (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A Liability is current when:

- (e) it is expected to be settled in normal operating cycle;
- (f) it is held primarily for the purpose of being traded;
- (g) it is due to be settled within 12 months after the reporting date; or
- (h) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

D) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Transition to Ind AS

On transition to Ind AS, the Group has opted to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4)

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv) 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:



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

(a)	Buildings	
	-Factory building	30 Years
	-Fences, wells, tube wells	5 Years
	-Temporary structure	3 Years
(b)	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
(c)	Furniture and Fixtures	10 years
(d)	Vehicles	8 years
(e)	Office Equipments	5 years
(f)	Computer Hardware	
	-Servers and networks	6 years
	-End user devices	3 years

E) Intangibles

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

i) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. (Note 4)

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



F) Impairment

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

G) Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property and plant and equipment are no longer amortised or depreciated.

H) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

I) Leases

i) Operating leases

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

J) Inventories

Inventories, which comprise “finished goods and work-in-progress”, are carried at the lower of cost (moving average price) and net realisable value.

Inventories, which comprise “raw materials, stores and spares, stock in trade, gas, and material in transit”, are value at landed cost.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, moving average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Finished goods inventory is inclusive of excise duty (where applicable)

Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

K) Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. The amount recognized as revenue is inclusive of excise duty and exclusive of sales tax, value added taxes (VAT), goods & service tax (GST). This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

L) Impact of implementation of Goods and Service Tax (GST) on the financial statements

In accordance with Ind AS 18 on “Revenue” and Schedule III to the companies Act, 2013, Sales for the financial year 2016-17 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/Sales Tax. Excise Duty was reported as separate expense line item. Consequent to the introduction of Goods and Service Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise duty etc. have been subsumed into GST and accordingly the same is not recognised as a part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in comparison to the sales reported under the pre-GST structure of indirect tax. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial statements for the year ended 31 March 2018 and in particular, Sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are not comparable with the figures of previous year.



M) Provisions (other than employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i) Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

N) Provisions (Employee benefits)

i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and FSI to Government administered fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

iv) Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

v) Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated



absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit to such extent is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

O) Income taxes

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.



M J CASTING LIMITED

Notes forming part of financial statements for the year ended 31 March, 2018

P) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

Q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 4 :- Property Plant and Equipment

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Tangibles Total	Intangibles (Computer Software)
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Gross Carrying Amount									
Deemed cost as at 01 April, 2016	1,708.72	2,058.78	7,278.01	27.95	36.23	22.15	15.47	11,147.30	3.80
Additions	155.61	62.66	1,282.74	0.50	-	6.76	12.12	1,520.39	11.99
Disposals	-	-	-	-	14.84	-	-	14.84	-
Closing as at 31 March, 2017	1,864.33	2,121.44	8,560.75	28.45	21.39	28.91	27.59	12,652.86	15.79
Additions	-	32.24	647.66	0.67	-	11.54	6.35	698.46	3.85
Disposals	-	-	7.27	-	-	4.10	-	11.37	-
Closing as at 31 March, 2018	1,864.33	2,153.68	9,201.14	29.12	21.39	36.35	33.94	13,339.95	19.64
Accumulated depreciation									
Opening as at 01 April, 2016	-	-	-	-	-	-	-	-	-
Depreciation/Amortisation for the year	-	93.27	1,595.29	4.77	3.64	9.84	7.17	1,713.96	1.69
Disposals	-	-	-	-	-	-	-	-	-
Closing as at 31 March, 2017	-	93.27	1,595.29	4.77	3.64	9.84	7.17	1,713.96	1.69
Depreciation/Amortisation for the year	-	102.25	1,531.18	4.46	2.77	7.58	8.29	1,656.53	4.13
Disposals	-	-	-	-	-	3.14	-	3.14	-
Closing as at 31 March, 2018	-	195.52	3,126.47	9.23	6.41	14.28	15.46	3,367.36	5.82
Net carrying amount									
As at 31 March, 2018	1,864.33	1,958.16	6,074.67	19.89	14.98	22.08	18.48	9,972.60	13.82
As at 31 March, 2017	1,864.33	2,028.17	6,965.46	23.68	17.75	19.08	20.42	10,938.90	14.10
As at 01 April, 2016	1,708.72	2,058.78	7,278.01	27.95	36.23	22.15	15.47	11,147.30	3.80
Carrying amount of assets (included in above) pledged as securities for borrowings	1,864.33	1,958.16	6,074.67	19.89	14.98	22.08	18.48	9,972.60	-

Note 5 :- Capital work-in-progress

Particulars	Buildings	Plant and Equipment	Office equipment	Capital work-in-progress Total
	₹	₹	₹	₹
Cost/Deemed cost:				
As at 01 April, 2016	11.22	280.45	0.48	272.15
Additions	-	15.54	-	15.54
Deductions	11.22	280.45	0.48	272.15
As at 31 March, 2017	-	15.54	-	15.54
Additions	-	275.91	-	275.91
Deductions	-	15.54	-	15.54
As at 31 March, 2018	-	275.91	-	275.91

The Company has opted Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition.



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 6 :- Investments (Non-current)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Numbers (in lacs)	₹	Numbers (in lacs)	₹	Numbers (in lacs)	₹
(Unquoted-Trade investment)						
Investment in equity instruments*						
Equity shares of ₹ 10 each of OPG power generation private limited fully paid up						
At the beginning of the year	0.17	1.83	0.17	1.83	-	-
Add: Acquired during the year	0.07	0.82	-	-	0.17	1.83
Less: Encashed during the year	0.01	0.15	-	-	-	-
At the end of the year	0.23	2.50	0.17	1.83	0.17	1.83
Total	0.23	2.50	0.17	1.83	0.17	1.83

*Refer Note 47

Note 7 :- Other financial assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Security deposits	102.93	147.30	122.92
Total	102.93	147.30	122.92

Note 8 :- Deferred tax assets (net)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Deferred tax liability			
Property, plant and equipments and intangible assets	570.39	697.05	827.45
Gross deferred tax liability	570.39	697.05	827.45
Deferred tax asset			
Provision for doubtful debts/advances	11.59	1.56	3.15
Provision for employee benefits	67.80	39.64	40.86
Deferred tax on share based payment	116.91	-	-
Minimum alternative tax credit entitlement	558.64	112.20	-
Unabsorbed depreciation and carry forward losses under Income Tax Act	287.82	1,125.01	1,502.32
Gross deferred tax asset	1,042.77	1,278.41	1,546.33
Deferred tax assets (Net)	472.38	581.36	718.88

*Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

*In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Movement in Deferred tax assets (net)

Particulars	Property, plant and equipments and intangible assets	Provision for doubtful debts/ advance	Provision for employee benefits	Minimum Alternative Tax	Unabsorbed depreciation and carry forward losses	Total
	₹	₹	₹	₹	₹	₹
At April 01, 2016	(827.45)	3.15	40.86	-	1,502.32	718.88
(Charged) / credited:						
to profit or loss	130.40	(1.59)	1.58	112.20	(377.31)	(134.72)
to other comprehensive income	-	-	(2.80)	-	-	(2.80)
At March 31, 2017	(697.05)	1.56	39.64	112.20	1,125.01	581.36
(Charged) / credited:						
to profit or loss	126.66	10.03	32.85	446.44	(837.19)	(221.20)
to other comprehensive income	-	-	(4.69)	-	-	(4.69)
to other equity	-	-	116.91	-	-	116.91
At March 31, 2018	(570.39)	11.59	184.71	558.64	287.82	472.38

Note 9 :- Inventories
(As taken, valued and certified by the management)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Raw materials	235.35	218.27	213.13
Work-in-progress	115.37	281.52	291.05
Finished goods	152.25	134.17	55.42
Stock in Trade	61.15	-	-
Stores and spares (including Gas and fuel)	305.01	348.54	225.12
Total	869.13	982.50	784.72

Note 10 :- Trade Receivables
(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Trade Receivables			
-Considered good	4,183.64	2,079.19	2,087.02
-Considered doubtful	33.50	-	-
Less:-Provision for doubtful debts	33.50	-	-
Total	4,183.64	2,079.19	2,087.02

The companies exposure to liquidity risks related to the above financial assets is disclosed in Note 46(b).

Note 11 :- Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Balances with banks			
On current accounts	6.67	6.13	7.17
On cash credit account	18.67	28.86	-
Cash on hand	4.60	2.11	4.04
Total	29.94	37.10	11.21



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 12 :- Bank balance other than cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Deposit with bank original maturity for more than 3 months but less than 12 month *	18.37	17.21	16.09
Total	18.37	17.21	16.09

* Includes amount as lien for guarantee with Pollution

Control Board Haryana to the extent of

11.01

11.01

11.01

Note 13 :- Other financial assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Security deposits	15.71	8.79	7.73
Interest accrued on security deposit	3.81	9.53	7.62
Total	19.52	18.32	15.35

Note 14 :- Current tax asset (net)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Current tax asset (net)	-	24.33	0.32
Total	-	24.33	0.32



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Movement of current tax asset (net)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Opening balance	-	0.32	0.19
Add: Advance tax paid	-	125.00	-
Add: TDS receivable	-	11.21	0.12
Less: Current tax provision	-	112.20	-
Closing balance	-	24.33	0.32

Note 15 :- Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Capital advance	71.90	122.08	37.58
Suppliers advance			
-Considered good	40.92	40.79	20.97
-Considered doubtful	-	4.81	9.70
Advances to employees	18.72	7.02	12.03
Prepaid expenses	68.19	48.01	61.69
Other advances	-	96.76	102.55
Balances with government authorities			
-CENVAT/ Service tax	-	26.44	73.02
-VAT	-	-	14.39
Income tax refund receivable	0.97	-	-
Silver coins*	0.29	0.27	0.22
	200.99	346.18	332.15
Less:-Provision for doubtful advances	-	4.81	9.70
Total	200.99	341.37	322.45

* Silver coins in numbers



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 16 :- Equity share capital

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
(a) Authorised 5,85,00,000 (March 31, 2018 : 5,85,00,000, March 31, 2017 : 5,85,00,000, April 1, 2016 : 5,85,00,000) Equity shares of ₹10 each	5,850.00	5,850.00	5,850.00
Total	5,850.00	5,850.00	5,850.00
(b) Issued, Subscribed and fully paid up 5,85,00,000 (March 31, 2018 : 5,85,00,000, March 31, 2017 : 5,85,00,000, April 1, 2016 : 5,85,00,000) Equity shares of ₹10 each	5,850.00	5,850.00	5,850.00
Total	5,850.00	5,850.00	5,850.00

Refer Notes (i) to (iii) below

Note :- (i) Movement in equity share capital

Particulars	Numbers (in lacs)	₹
As at April 01, 2016	585.00	5,850.00
Add:- Issued during the year	-	-
As at March 31, 2017	585.00	5,850.00
Add:- Issued during the year	-	-
As at March 31, 2018	585.00	5,850.00

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

Name of shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Number of shares held (in lacs)	% holding in that class of shares	Number of shares held (in lacs)	% holding in that class of shares	Number of shares held (in lacs)	% holding in that class of shares
Minda Industries Ltd. and its nominees	585.00	100.00	573.30	98.00	573.30	98.00
Neel Metal Products Ltd. and its nominees	-	-	11.70	2.00	11.70	2.00

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

Name of shareholder	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	Number (in lacs)	Number (in lacs)	Number (in lacs)
Minda Industries Ltd. and its nominees	585.00	573.30	573.30

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

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



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 17 :- Other Equity (Reserve and surplus)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Retained Earnings	(1,037.01)	(1,543.99)	(2,454.69)
Profit for the year	1,382.00	501.67	918.98
Deferred tax on share based payment	116.91	-	-
Remeasurements of post employment benefit obligations, net of tax	8.85	5.30	(8.28)
Closing balance	470.75	(1,037.01)	(1,543.99)

Note 18 :- 8% Non-Cumulative Redeemable Preference share capital

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
(a) Authorised 2,75,00,000 (March 31, 2018 : 2,75,00,000, March 31, 2017 : 2,75,00,000 April 01, 2016 : 2,75,00,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10 each	2,750.00	2,750.00	2,750.00
Total	2,750.00	2,750.00	2,750.00
(b) Issued, Subscribed and fully paid up 2,20,04,000 (March 31, 2018 : 2,20,04,000, March 31, 2017 : 2,20,04,000 April 01, 2016 : 2,20,04,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10 each	2,204.00	2,204.00	2,204.00
Total	2,204.00	2,204.00	2,204.00

Refer Notes (i) to (iii) below

Note :- (i) Movement in 8% Non-Cumulative Redeemable Preference share capital

Particulars	Numbers (in lacs)	₹
As at April 01, 2016	220.40	2,204.00
Add:- Issued during the year	-	-
As at March 31, 2017	220.40	2,204.00
Add:- Issued during the year	-	-
As at March 31, 2018	220.40	2,204.00

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

Name of shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Number of shares held (in lacs)	% holding in that class of shares	Number of shares held (in lacs)	% holding in that class of shares	Number of shares held (in lacs)	% holding in that class of shares
Minda Finance Ltd.	-	-	15.00	6.81	15.00	6.81
Minda Investments Ltd.	25.00	11.34	25.00	11.34	25.00	11.34
Pioneer Finest Ltd.	182.90	82.99	167.90	76.18	167.90	76.18

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

8% Non cumulative redeemable preference share of ₹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

(₹ in lacs, unless otherwise stated)

Note 19 :- Borrowings (Non current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Secured loan from Bank			
-From Axis Bank Ltd.			
-Term Loan		860.54	1,620.54
-From ICICI Bank Ltd.			
-Term Loan	2,077.72	2,770.29	3,116.58
-Vehicle Loan	3.06	10.12	16.52
	2,080.78	3,640.94	4,753.64
Unsecured loan			
-From Body Corporate		1,800.00	927.75
-Deferred Payment Credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Ltd.)	108.93	155.61	
	2,189.71	5,596.55	5,681.39
Less:- Current maturities of long term debt			
-From Axis Bank Ltd.			
-Term Loan		860.54	760.00
-From ICICI Bank Ltd.			
-Term Loan	692.57	692.57	346.29
-Vehicle Loan	3.06	7.06	6.40
-Deferred Payment Credit from HSIIDC	31.12	46.68	
Total	1,462.96	3,989.70	4,568.69

Terms of Repayment

Axis Bank Ltd.- Term Loan (repaid fully during the year 2017-18)

(Rate of Interest : MCLR (1Y) + 90 bps i.e. 9.15% pa.)

- from April 2013 to Jan 2014 quarterly instalments amounting to ₹ 135 lacs each
- from April 2014 to Jan 2015 quarterly instalments amounting to ₹ 160 lacs each
- from April 2015 to Jan 2016 quarterly instalments amounting to ₹ 185 lacs each
- from April 2016 to Jan 2017 quarterly instalments amounting to ₹ 190 lacs each
- from April 2017 to Jan 2018 quarterly instalments amounting to ₹ 215 lacs each

ICICI Bank Ltd.- Term loan

(Rate of Interest : MCLR (1Y) + 95 bps i.e.. 9.15% pa.)

- from Oct 2016 to March 2021 quarterly instalments (18 Instalments) amounting to ₹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

(Rate of interest : 9.90%)

*secured against hypothecation of respective vehicle financed by them.

Note 20 :- Provisions (Long Term)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Provision for employee benefits			
For gratuity (Refer note 42)	107.54	87.28	81.00
For leave encashment	45.04	28.96	48.13
Total	152.58	116.24	129.13



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 21 :- Borrowings (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Secured			
Working Capital Loan from			
- Axis Bank Ltd.	-	26.68	193.23
- ICICI Bank Ltd.	42.26	-	140.95
Unsecured			
Others	1,800.00	683.34	232.54
Total	1,842.26	710.02	566.72

Rate of interest :

(Axis Bank : MCLR (3M) + 100 bps i.e. 9.00% pa.)

(ICICI Bank : MCLR (6M) + 100 bps i.e. 9.15% pa.)

Nature of security:

Working capital loan from Axis Bank and ICICI Bank are paari passu by way of:

*First charge by the way of hypothecation on the entire current assets of the company (Bawal and Hosur) both present and future.

*First charge by the way of hypothecation on the entire moveable fixed assets of the company (Bawal and Hosur) both present and future.

*Equitable mortgage on land and building both present and future of Hosur Plant situated at Upparapalli, Mathagondapalli,

Thally Road, Hosur, Tamilnadu, India.

*Equitable mortgage on land and building both present and 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 and 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.

Note 22 :- Trade payables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Acceptance	-	-	299.88
Trade payables #	2,928.32	1,608.18	2,100.91
Total	2,928.32	1,608.18	2,400.79

Includes Minda Industries limited-holding company

140.33

19.97

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company is as follows:

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.

The companies exposure to liquidity risks related to the above financial liabilities is disclosed in Note 46(b).



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 23 :- Other financial liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Current maturities of long-term borrowings			
-From Axis Bank Ltd.			
-Term Loan	-	860.54	760.00
-From ICICI Bank Ltd.			
-Term Loan	692.57	692.57	346.29
-Vehicle Loan	3.06	7.06	6.40
-Deferred Payment Credit from HSIIDC	31.12	46.68	-
Interest accrued and due	3.00	42.32	33.46
Capital creditors	-	-	116.87
Share based payment payable to Minda Industries limited -Holding company	6.91	10.87	-
Total	736.66	1,660.04	1,263.02

Note 24 :- Current Tax Liability

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Current tax liability (net)	1.78	-	-
Total	1.78	-	-

Movement of Current tax liability (net)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Opening balance	(24.33)	-	-
Add: Current tax provision	446.44	-	-
Less: Advance tax paid	410.00	-	-
Less: TDS Receivable	10.33	-	-
Total	1.78	-	-



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 25 :- Other current liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Advance from customers / customer at credit	90.34	27.50	0.38
Other payables			
Statutory remittances			
-Provident fund and Other funds	17.17	11.95	12.14
-Excise and Service Tax	-	13.82	13.28
-Sales Tax ,VAT and WCT	-	25.61	0.17
-Professional tax payable	1.82	-	-
-GST	371.64	-	-
-Tax deducted and collected at Source	23.98	16.99	35.97
Total	504.95	95.87	61.94

Note 26 :- Provisions (Short-term)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Provision for employee benefits			
For gratuity (Refer note 42)	2.05	1.28	0.96
For leave encashment	5.42	0.72	2.78
Total	7.47	2.00	3.74



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 27 :- Revenue from operations

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Sale of products	28,591.39	22,849.42
Other operating revenues		
- Job work /Development income	63.57	50.78
- Sale of Tools and Dies	51.00	30.33
- Sale of scrap	244.85	154.01
Total	28,950.81	23,084.54

Note 28 :- Other income

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Interest income:		
. On Bank deposits	4.80	1.21
. On Income tax refund	0.04	-
. Others	4.44	7.10
Provision for doubtful advance written back*	-	4.89
Others	48.00	-
Total	57.28	13.20

*In financial year 2017-18, written back is adjusted with provision for doubtful debts.



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 29 :- Cost of materials consumed

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Inventories at the beginning of the year	218.27	213.13
Add: Purchases during the year	16,390.08	11,454.84
	16,608.35	11,667.97
Less: Inventories at the end of the year	235.35	218.27
	16,373.00	11,449.70

Note 30 :- Purchases of stock-in-trade

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Purchase of Tools & Dies	103.15	20.96
Total	103.15	20.96

Note 31 :- Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
<u>Inventories at the end of the year:</u>		
Finished goods	152.25	134.17
Work-in-progress	115.37	281.52
Stock-in-trade	61.15	-
	328.77	415.68
<u>Inventories at the beginning of the year:</u>		
Finished goods	134.17	55.42
Work-in-progress	281.52	291.05
Stock-in-trade	-	-
	415.68	346.47
Net (increase) / decrease	86.91	(69.21)



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 32 :- Employee benefits expense

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Salaries, wages and other allowances	2,457.31	1,865.81
Contributions to provident and other funds	100.19	75.91
Gratuity	38.30	25.66
Leave encashment	40.66	3.28
Share based payments to employees	30.75	10.87
Staff welfare	228.13	160.17
Total	2,895.34	2,141.70

Note 33 :- Finance costs

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Interest		
-To banks	300.03	565.94
-To others	160.56	201.30
Other borrowing cost	13.77	12.51
Total	474.36	779.75

Note 34 :- Depreciation and amortisation expense

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Depreciation for the year on tangible assets	1,656.53	1,713.97
Amortisation for the year on intangible assets	4.13	1.69
Total	1,660.66	1,715.66



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 35 :- Other expenses

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Consumption of stores and spare parts	1,296.22	943.02
Power and fuel	1,537.79	1,408.30
Job Work Charges	119.36	82.27
Rent / Lease rent	115.24	106.44
Repairs		
- Buildings	144.36	94.39
- Machinery	163.30	192.91
- Others	7.01	3.83
Insurance	13.54	12.36
Rates and taxes	13.29	21.13
Communication	12.20	12.94
Travelling and conveyance	128.17	108.21
Printing and stationery	10.49	13.02
Freight and forwarding	523.09	341.13
Business promotion	2.92	5.70
Legal and professional	369.63	89.23
Provision for doubtful debts/advances	28.69	-
Loss on sale/discard of fixed assets	3.51	12.89
Payments to auditor		
- For Audit	4.78	4.77
- For Tax Audit	0.75	0.75
- For Limited review	2.25	2.25
- For Income Tax matter	-	0.75
Miscellaneous expenses	23.85	17.57
Total	4,520.44	3,473.86

Note 36 :- Tax expenses

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Current tax on profit for the year	446.44	112.20
Deferred tax	221.20	134.72
Total	667.64	246.92

Reconciliation of tax expense and the accounting profit multiplies by India's tax rate

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Profit from continuing operations before income tax expense	2,049.64	748.59
Tax at India's tax rate (MAT Rate 21.34% /last year 20.39%)	437.43	152.63
Effect of disallowance of expenses under MAT	6.45	(1.00)
Effect of allowance of carry forward losses under MAT	-	(41.61)
Effect of previous year adjustments	221.20	134.72
Other adjustments	2.56	2.18
Income Tax Expenses	667.64	246.92



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 37 :- Earnings per share

a) Basic

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Net profit after tax	1,382.00	501.67
Weighted average number of equity shares used to compute basic earning per share (in lacs)	585.00	585.00
Basic earnings per share (Nominal value of ₹ 10 each)	2.36	0.86

b) Diluted

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Net profit after tax	1,382.00	501.67
Weighted average number of equity shares used to compute basic earning per share* (in lacs)	585.00	585.00
Diluted earnings per share (Nominal value of ₹ 10 each)	2.36	0.86

*The Company does not have any potential equity shares and thus weighted average number of shares for computation of basic EPS and diluted EPS remains same.

Note 38 :- Capital and Other Commitments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Property, plant and equipment :-			
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	621.52	118.79	295.01
Total	621.52	118.79	295.01

Note 39 :- Contingent liabilities

Claims made against the Company not acknowledged as debts:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Bank Guarantee given to custom and others	44.50	49.50	49.50
Others	3.58	-	-
Total	48.08	49.50	49.50

Future cash outflows in respect of the above would be determinable on finalization of judgments /decisions pending with various forums / authorities.



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 40 :- Assets pledged as security

The carrying amount of assets pledged as security for current and non current borrowings are as follows:

Particulars	Note	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
		₹	₹	₹
Current assets				
Cash and cash equivalents	11	29.94	37.10	11.21
Trade receivables	10	4,183.64	2,079.19	2,087.02
Inventory	9	869.13	982.50	784.72
Bank balance other than cash and cash equivalents	12	18.37	17.21	16.09
Other financial assets	13	19.52	18.32	15.35
Other current assets	15	200.99	341.37	322.45
Total current assets pledged as security		5,321.59	3,475.69	3,236.84
Non Current assets				
Freehold land	4	1,864.33	1,864.33	1,708.72
Building	4	1,958.16	2,028.17	2,058.78
Plant and machinery	4	6,074.67	6,965.46	7,278.01
Other items of PPE (except vehicle)	4	60.45	63.18	65.57
Vehicle (against vehicle loan)	4	14.98	17.75	36.23
Total Non current assets pledged as security		9,972.60	10,938.90	11,147.30
Total assets pledged as security		15,294.19	14,414.59	14,384.15

Note 41 :- Leases

(i) Operating Leases:

The company has significant operating leases for Plant and machinery under a non cancellable lease arrangement:

Future minimum lease payments are as follows :

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
	₹	₹	₹
Payable within one year	96.62	92.95	90.24
Payable between one to five years	198.38	266.13	201.99
Payable after more than five years	-	-	-
Total	295.00	359.08	292.23

Note 42 :- The long term defined employee benefits and contribution schemes of the company are as under:

Defined benefit plans

Gratuity is payable to all eligible employees of the Company on retirement/exit, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

Inherent Risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Actuarial Valuation Method

The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past.

The Benefits Valued

Type of Plan	Defined Benefit
Employer's Contribution	100%
Employee's Contribution	Nil
Salary for calculation of Gratuity	Last drawn salary
Normal Retirement Age	58 Years
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹ 20 lacs
Gratuity formula	15/26 * Last drawn salary * Number of completed years



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Present value of defined benefit obligation :-

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2018
	₹	₹
Present Value of Obligation as at the beginning	88.86	81.96
Current Service Cost	28.96	19.11
Interest Expense or Cost	6.59	6.55
Re-measurement (or Actuarial) (gain) / loss arising from:	0.00	0.00
- change in demographic assumptions	-	-
- change in financial assumptions	(6.33)	7.51
- experience variance (i.e. Actual experience vs assumptions)	(7.20)	(15.61)
- others	-	-
Past Service Cost	2.74	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	(10.97)
Acquisition Adjustment	(3.73)	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	109.59	88.56
Long term	107.54	87.27
Short Term	2.05	1.28

Bifurcation of Present Value of obligation :-

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Current liability (Short term)	2.05	1.28	0.96
Non-Current liability (Long term)	107.54	87.27	81.00
Present Value of obligation	109.59	88.56	81.96

Expenses Recognised in the Income Statement

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2018
	₹	₹
Current Service Cost	28.96	19.11
Past Service Cost	2.74	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	6.59	6.55
Expenses Recognised in the Income Statement	38.30	25.66

Expenses Recognised in the Other comprehensive Income

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2018
	₹	₹
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(6.33)	7.51
- experience variance (i.e. Actual experience vs assumptions)	(7.20)	(15.61)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	(13.54)	(8.10)



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Principal actuarial assumptions at the balance sheet date are as follows:

Actuarial assumption :-

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
Discount rate (per annum)	7.80%	7.45%	8.00%
Salary growth rate (per annum)	8.00%	8.00%	8.00%

Demographic assumption :-

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
i) Retirement Age (Years)	58	58	58
ii) Mortality Rate	100.00%	100.00%	100.00%
iii) Ages			
Up to 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	129.03	93.93	104.83	75.54
(% change compared to base due to sensitivity)	17.70%	-14.30%	18.40%	-14.70%
Salary Growth Rate (- / + 1%)	94.47	128.04	76.21	103.32
(% change compared to base due to sensitivity)	-13.80%	16.80%	-13.90%	16.70%
Attrition Rate (- / + 50% of attrition rates)	110.58	108.66	89.71	87.51
(% change compared to base due to sensitivity)	0.90%	-0.90%	1.30%	-1.20%
Mortality Rate (- / + 10% of mortality rates)	109.59	109.59	88.55	88.55
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

Maturity profile of defined benefit obligation:

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Within next 12 Months	2.05	1.28
Between 1 and 5 years	16.79	14.36
Between 5 and 10 years	33.11	24.04
10 years and above	452.54	356.92

(ix) Enterprise best estimate of contribution during the next year is

Particulars	Amount
	₹
Gratuity	-

*The scheme is managed on unfunded basis & since the scheme is managed on unfunded basis, the next year contribution is taken as nil.



MJ Casting Limited

Notes to financial statements

Note 43 :- Share based payment

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the previous year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had 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.

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 Ind AS - 102 on Share Based Payment.

Scheme	Year	Date of Grant	Number of Options granted	Vesting Condition	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

Number of Shares Options							
Scheme	Year	Outstanding at the beginning of the year 01.04.2017	Granted during the year	Forfeited /expired during the year	Exercised during the year	Exercisable at the end of the year 31.03.2018	Outstanding at the end of the year 31.03.2018
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	-	-

Fair valuation

The parent company has provided the fair value of Share based payment cost that have been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

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

Particulars	As at 31st March 2018	As at 31st March 2017
Risk-free interest rate (%)	6.13% - 6.51%	6.13% - 6.51%
Expected life of options (years) [(year to vesting) +	1.53 years - 1.85 years	1.53 years - 1.85 years
Expected volatility (%)	27.92% - 43.62%	27.92% - 43.62%
Dividend yield	4.61% - 6.90%	4.61% - 6.90%

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.



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 44 :- Related party disclosure

1) Details of Related Party

a) Holding company :-

- Minda Industries Limited

b) Fellow subsidiary :-

- Kosei Minda Aluminium Company Limited
- Minda Auto Components Limited
- Minda I Connect Private Limited
- Minda Kosei Aluminium Wheel Private Limited
- Minda Storage Batteries Private Limited
- Roki Minda Company Private Limited

c) Key management personnel

- Mr. Atul Swaroop (Whole time director)
- Mr. Pawan Agrawal (Chief Finance Officer)
- Mr. Lalit Khubchandani (Company Secretary)

d) Related party transactions :-

Nature of transactions/Related party	Kosei Minda Aluminium Company Limited		Minda Auto Components Limited		Minda I Connect Private Limited		Minda Industries Limited		Minda Kosei Aluminium Wheel Private Limited		Minda Storage Batteries Private Limited		Roki Minda Company Private Limited	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Sales			7,387.35				6.78	2.55						
Purchase							3.31	471.23	-	0.18				
Share based payment expenses							32.29	9.33						
Legal and professional expenses							348.12	62.94						
Job work income							63.56	41.66						
Reimbursement of expenses paid				0.28	0.24		15.72	34.75					0.21	
Reimbursement of expenses received							0.30	3.62						
Unsecured Loan											-	1,800.00		
Interest Paid											136.80	60.29		
Service rendered	3.93													
Summary of balance :-														
Trade payables					0.28	-	140.33	19.97						
Other financial liabilities							6.91	10.87						
Long-term borrowings											-	1,800.00		
Short-term borrowings											1,800.00	-		
Other current liabilities											-	29.98		
Trade Receivables	4.64	-	1,440.86	-										

2) Managerial Remuneration

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Salary and other allowance	42.05	44.25
House Rent Allowance	20.36	18.72
Contribution to Provident fund and other fund	8.14	5.24
Reimbursement of medical expenses	0.15	0.15

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



MJ Casting Limited

Notes to financial statements

(₹ in lacs, unless otherwise stated)

Note 45 :- Capital Management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Net Debt	4,005.03	6,269.47
EBITDA	4,184.66	3,244.00
Net Debt to EBITDA	0.96	1.93

Note 46 :- Financial Risk Management Objectives (Ind AS 107)

The Company, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at March 31 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts substantial business in local currency only, however there is few import of Raw material & Plant and Machinery in foreign currency as well. The Company has only foreign currency trade payables and company is less exposed to foreign exchange risk. The Company uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates, however no such forward exchange contract is outstanding as on March 31, 2018, March 31, 2017, April 01, 2016.

Particulars of un-hedged foreign currency exposure

Currency	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
	Foreign currency Amount	Exchange rate (in ')	Amount in ₹	Foreign currency Amount	Exchange rate (in ')	Amount in ₹	Foreign currency Amount	Exchange rate (in ')	Amount in ₹
Trade Payables -JPY	122.00	0.61	74.71	-	-	-	-	-	-
Advance to Vendors -USD	0.54	65.07	35.01	-	-	-	-	-	-

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in JPY exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	Change +1%	Change -1%	Change +1%	Change -1%
	₹	₹	₹	₹
Trade Payable -JPY	(0.75)	0.75	-	-

(ii) Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2018 and March 31, 2017, the Company's borrowings at variable rate were denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Variable Rate borrowings	2,119.98	3,657.50	5,071.30
Fixed Rate Borrowings	1,911.99	1,965.73	927.75
Total	4,031.97	5,623.23	5,999.05



MJ Casting Limited
Notes to financial statements

(₹ in lacs, unless otherwise stated)

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Particulars	Impact on profit after tax	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹	₹
Increase by 0.5%	(10.60)	(18.29)
Decrease by 0.5%	10.60	18.29

(iii) Other price risks

Fluctuation in commodity price affects directly and indirectly the price of raw material and components used by the Company in its various products. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
	₹	₹	₹	₹	₹	₹
As at 31 March, 2018						
8% Non-Cumulative Redeemable Preference Shares	-	-	-	-	2,204.00	2,204.00
Borrowings (Long Term)	-	-	-	1,462.96	-	1,462.96
Borrowings (Short Term)	42.26	-	1,800.00	-	-	1,842.26
Trade payable	-	2,928.32	-	-	-	2,928.32
Other financial liabilities	-	197.49	539.17	-	-	736.66
As at 31 March, 2017						
8% Non-Cumulative Redeemable Preference Shares	-	-	-	-	2,204.00	2,204.00
Borrowings (Long Term)	-	-	-	3,989.70	-	3,989.70
Borrowings (Short Term)	26.68	-	683.34	-	-	710.02
Trade payable	-	1,608.18	-	-	-	1,608.18
Other financial liabilities	-	474.29	1,185.75	-	-	1,660.04
As at 01 April, 2016						
8% Non-Cumulative Redeemable Preference Shares	-	-	-	-	2,204.00	2,204.00
Borrowings (Long Term)	-	-	-	4,568.69	-	4,568.69
Borrowings (Short Term)	334.18	-	232.54	-	-	566.72
Trade payable	-	2,400.79	-	-	-	2,400.79
Other financial liabilities	-	225.00	1,038.02	-	-	1,263.02

c) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The table below summarises the ageing bracket of trade receivables.

Particulars	Gross carrying amount		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	₹	₹	₹
Current (not past due)	3,506.12	1,362.18	1,636.74
1-30 days past due	580.83	687.97	371.42
31-60 days past due	74.68	4.11	22.07
61-90 days past due	15.93	1.29	16.89
More than 90 days past due	39.59	23.64	39.90

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
At the beginning of the year	-	-
Provision during the year	33.50	-
Bad debts written off	-	-
Reversal of provision	-	-
At the end of the year	33.50	-

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.



Note 47 :- Fair value measurements

(i) Financial instruments by category

Particulars	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Financial Assets									
Investments	-	2.50	-	-	1.83	-	-	1.83	-
Trade Receivables	-	-	4,183.64	-	-	2,079.19	-	-	2,087.02
Loans	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents	-	-	29.94	-	-	37.10	-	-	11.21
Bank Balance other than above	-	-	18.37	-	-	17.21	-	-	16.09
Other financial assets	-	-	122.45	-	-	165.62	-	-	138.27
Total financial assets	-	2.50	4,354.40	-	1.83	2,290.12	-	1.83	2,252.59
Financial liabilities									
8% Non-Cumulative Redeemable Preference Shares	-	-	2,204.00	-	-	2,204.00	-	-	2,204.00
Borrowing	-	-	3,305.22	-	-	4,699.72	-	-	5,135.41
Trade Payable	-	-	2,928.32	-	-	1,608.18	-	-	2,400.79
Share based payment payable	6.91	-	-	10.87	-	-	-	-	-
Other financial liabilities (other than share based payment payable)	-	-	729.75	-	-	1,549.17	-	-	1,263.02
Total financial liabilities	6.91	-	9,167.29	10.87	-	10,161.07	-	-	11,003.23

* Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and Interest accrued on borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) Fair value hierarchy

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Financial Asset- Unquoted Equity Investments*	Financial Liabilities-Share based payment Payable#	Financial Asset- Unquoted Equity Investments*	Financial Liabilities-Share based payment Payable#	Financial Asset- Unquoted Equity Investments*	Financial Liabilities-Share based payment Payable#
	₹	₹	₹	₹	₹	₹
Level - 1	-	-	-	-	-	-
Level - 2	-	6.91	-	10.87	-	-
Level - 3	2.50	-	1.83	-	1.83	-
Total	2.50	6.91	1.83	10.87	1.83	-

* There is no considerable change in the fair value of Unquoted Equity investment, hence it is same as Carrying value as on April 01, 2016, March 31, 2017 and March 31, 2018.

Refer Note-43

Note 48 :- First time adoption of Ind AS

As stated in Note 2A, these financial statements for the year ended March 31, 2018, are the Company's first financial statements prepared in accordance with Ind AS. For the periods upto and included 31 March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly the Company has prepared these financial statements which comply with Ind AS applicable for year ended on March 31, 2018, together with the comparative period data for the year ended 31 March 2017 and Ind AS opening balance sheet as at 1 April 2016. Further, in presenting the comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2016.

A) Optional exemptions availed and mandatory exceptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

i. Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP other adjustments to reflect any differences in accounting policies, if any).



B) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income
The following table represent the reconciliations from previous GAAP to Ind AS

(i) Reconciliation of equity

Particulars	Note	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	Adjustment as per Ind AS	Ind AS	Previous GAAP	Adjustment as per Ind AS	Total
		₹	₹	₹	₹	₹	₹
A ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	4	10,939.90	-	10,939.90	11,147.30	-	11,147.30
(b) Capital work-in-progress	5	15.54	-	15.54	272.15	-	272.15
(e) Intangible assets	4	14.10	-	14.10	3.80	-	3.80
(h) Financial assets							
(i) Investments	6	1.83	-	1.83	1.83	-	1.83
(ii) Other financial assets	7	147.30	-	147.30	122.92	-	122.92
(j) Deferred tax assets (net)	8	580.83	0.53	581.36	718.88	-	718.88
Sub-total - Non-Current Assets		11,688.49	0.53	11,699.02	12,266.88	-	12,266.88
(2) Current assets							
(a) Inventories	9	982.50	-	982.50	784.72	-	784.72
(b) Financial assets							
(i) Trade receivables	10	2,079.19	-	2,079.19	2,087.02	-	2,087.02
(ii) Cash and cash equivalents	11	37.10	-	37.10	11.21	-	11.21
(iii) Bank balances other than Cash and Cash equivalents	12	17.21	-	17.21	16.09	-	16.09
(iv) Other financial assets	13	18.32	-	18.32	15.35	-	15.35
(c) Current Tax Assets (Net)	14	24.33	-	24.33	0.32	-	0.32
(d) Other Current Assets	15	341.37	-	341.37	322.45	-	322.45
Sub-total - Current Assets		3,500.02	-	3,500.02	3,237.16	-	3,237.16
TOTAL - ASSETS		15,198.51	0.53	15,199.04	15,504.04	-	15,504.04
B EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity Share capital	16	5,850.00	-	5,850.00	5,850.00	-	5,850.00
(b) Other equity	17	(1,036.00)	(1.01)	(1,037.01)	(1,543.99)	-	(1,543.99)
Sub-total - Shareholders' funds		4,814.00	(1.01)	4,812.99	4,306.01	-	4,306.01
(2) Liabilities							
(a) Non-current liabilities							
(i) Financial liabilities							
-8% Non-Cumulative Redeemable Preference Share	18	2,204.00	-	2,204.00	2,204.00	-	2,204.00
-Borrowings	19	3,989.70	-	3,989.70	4,568.69	-	4,568.69
(ii) Provisions	20	116.24	-	116.24	129.13	-	129.13
Sub-total - Non-current liabilities		6,309.94	-	6,309.94	6,901.82	-	6,901.82
(b) Current liabilities							
(i) Financial liabilities							
-Borrowings	21	710.02	-	710.02	566.72	-	566.72
-Trade payables	22	1,608.18	-	1,608.18	2,400.79	-	2,400.79
-Other financial liabilities	23	1,658.50	1.54	1,660.04	1,263.02	-	1,263.02
(ii) Other current liabilities	25	95.87	-	95.87	61.94	-	61.94
(iii) Provisions	26	2.00	-	2.00	3.74	-	3.74
Sub-total - Current liabilities		4,074.57	1.54	4,076.11	4,296.21	-	4,296.21
TOTAL - EQUITY AND LIABILITIES		15,198.51	0.53	15,199.04	15,504.04	-	15,504.04

(ii) Reconciliation of total comprehensive income for the year ended 31 March, 2017

Particulars	Note	Previous GAAP	Adjustment as per Ind AS	Ind AS
		₹	₹	₹
A Income				
(i) Revenue from operations	27	23,084.54	-	23,084.54
(ii) Other income	28	13.20	-	13.20
Total Income		23,097.74	-	23,097.74
B Expenses				
(i) Cost of materials consumed	29	11,449.70	-	11,449.70
(ii) Purchases of stock-in-trade	30	20.96	-	20.96
(iii) Changes in inventories of finished goods, work-in-progress	31	(69.21)	-	(69.21)
(iv) Excise duty on sales		2,836.73	-	2,836.73
(v) Employee benefits expense	32	2,140.16	1.54	2,141.70
(vi) Finance costs	33	779.75	-	779.75
(vii) Depreciation and amortisation expense	34	1,715.66	-	1,715.66
(viii) Other expenses	35	3,473.86	-	3,473.86
Total expenses		22,347.61	1.54	22,349.15
3 Profit before tax (A - B)		750.13	(1.54)	748.59
D Tax expense:				
(i) Current tax	36	112.20	-	112.20
(ii) Deferred tax expense		135.25	(0.53)	134.72
		247.45	(0.53)	246.92
5 Net Profit for the year (C - D)		502.68	(1.01)	501.67
F Other Comprehensive Income for the year				
(i) Items that will not be reclassified to profit or loss				
-Remeasurements of post employment benefit obligations		8.10	-	8.10
-Deferred tax on remeasurements of post employment benefit obligations		2.90	-	2.80
Other Comprehensive Income for the year, net of tax		5.30	-	5.30
Total Comprehensive Income for the year (E + F)		507.98	(1.01)	506.97



MJ Casting Limited

Notes to financial statements

C) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017:

i) Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, currency swaps, principal only swaps and commodity fixed price swap contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively and Hedge accounting as permitted under Ind AS 109 and as per Company accounting policy is applied for the purpose of Accounting in the financial statements.

As per Ind AS 109, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

ii) Loans/other financial assets/ other current assets:

(i) As per Schedule III, Security Deposits are to be classified under Loans or Other Non-current/Current Assets respectively. Accordingly, Security Deposits which are financial in nature are classified under Financial Non-current/ Current Assets respectively.

(ii) Under IGAAP, Loans and Advances were shown together under Loans and Advances. However, as per Schedule III, Loans are classified under other Non-current/Current Assets.

iii) Financial liability

Under Ind AS 32, the Redeemable Preference Shares are classified as Financial Liability with portion of the debt.

iv) Deferred tax:

(i) IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

(ii) As per Ind AS 12, the Company has considered MAT entitlement credit as deferred tax asset being unused tax credit entitlement.

v) Investments:

The Company has designated investments in equity at Fair Value through OCI (FVOCI). Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings. However there is no change in fair value observed.

vi) Revenue from operations:

(i) Under IGAAP, cash discounts and other discounts directly attributable to sales was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended March 31, 2017.

(ii) Under IGAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty has been included in revenue from operations and shown separately as an expense.

vii) Defined benefit liabilities:

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

viii) Other comprehensive income

Under Previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Previous GAAP profit to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

ix) Cash flow statement

The transition from previous GAAP to Ind AS do not have a material impact on the statement of cash flows.

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, Gurudwara Road,
Karol Bagh, New Delhi - 110 005

Place : Gurgaon
Date : May 11, 2018



For and on behalf of the board of directors

Sanjay Jain
Whole time director
Din No. 00793122

Pawan Agrawal
Chief finance officer
PAN- AGQPA7321N

Place : Gurgaon
Date : May 11, 2018

Sanjay Jain
Director
Din No. 03164405

Lalit Khubchandani
Company secretary
Membership No. A38912