Amit Desai & Co

Chartered Accountants

36 Sunbeam Apartments,
3A Pedder Road, Mumbai 400 026,
Maharashtra, India.
Tel. No.: +91-022-23512240
93222 69386
E-mail : amitdesaiandco@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of MMG INDIA PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of MMG INDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian Accounting Standards ('Ind AS') specified 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 of 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

AMIT DESAI & CO.
MUMBAI
Chartered Accountants

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 36 to the Financial Statements with regard to MAT Credit Entitlement of Rs.2,868 ('000), which is based on the judgment of the management.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

(2) Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

AMIT DESAI & CO. MUMBAI Chartered Accountants

c. the Financial Statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act;

e. on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date and our report dated May 18, 2018 as per "Annexure B" expressed an unmodified opinion;

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (i) the Company, as detailed in Note No. 31 has disclosed the impact of pending litigations on its financial position;

   (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Amit Desai & Co
Chartered Accountants
ICAI Firm Reg. No.: 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

Andesai

(Amit N. Desai)
Partner
Membership No.: 032926

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

Mumbai: May 18, 2018

18 MAY 2018

ANNEXURE A

To The Independent Auditor's Report of even date to the members of **MMG INDIA PRIVATE LIMITED** on the Financial Statements for the year ended March 31, 2018]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) There are no immovable properties (which are included under the head 'Property, Plant and Equipment') and hence, the provisions of clause 3(i)(c) are not applicable to the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; hence the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) In our opinion, the Company has complied with Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Paragraph 3(v) of the order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to rules prescribed by the Central Government for the maintenance of the cost records under Sub-Section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

AMIT DESAI & CO.
MUMBAI
Chartered Accountants

(vii)

(a) The Company is generally not regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, gst, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to it.

According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, duty of customs, duty of excise, cess and other material statutory dues which were outstanding, at the yearend for a period of more than six months from the date they became payable except service tax, provident fund, sales tax (VAT & CST). A statement showing arrears of outstanding statutory dues as at the last date of the financial year for a period more than six months is as under:

Name of the Statute	Nature of Dues	Amount (Rs. in '000)	Period to which the amount relates	Due Date	Paid Amount (Rs. in '000)	Date of Payment
Finance Act, 1994	Service Tax	2,875.57	September 2015 to June 2017	6th of the following month of the respective months	Nil	Not Paid
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	824.24	November 2016 to August 2016	15th of the following month of the respective months	Nil	Not Paid
The Central Sales Tax, 1956	CST	438.21	September 2015 to June 2017	21st of the following month of the respective months	Nil	Not Paid
Tamil Nadu Value Added Tax Act, 2006	VAT	312.67	September 2015 to June 2017	22nd of the following month of the respective months	Nil	Not Paid

(b) In our opinion, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute, except for the dues in relation to income tax as disclosed hereunder:

(viii) According to the information and explanations given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute, except for the dues in relation to income tax and sales tax as disclosed hereunder:

AMIT DESAI & CO.
MUMBAI
Chartered Accountants

Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3637.10	Financial Year 2011-12	Rectification u/s. 154 is pending before the Assessing Officer
The Central Sales Tax, 1956	Sales Tax	11443.23	Financial Year 2015-16	Appeal to be filed before Appellate Deputy Commissioner of Commercial Taxes, Chennai (East) Division

(ix) According to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to a bank as under:

Particulars	Amount of default as at the balance sheet date (Rs. In '000)	Period of default	Remarks, if any
RBL Bank Limited	907.01	March 2018	It is Interest Overdue which is Paid in the month of April, 2017

(x) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, no term loans were raised during the year under audit.

(xi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xii) As per the information and explanations given to us, Company has not paid/provided any managerial remuneration to any of the directors. Therefore the provisions of Paragraph 3(xi) of the Order are not applicable to the Company.

(xiii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Paragraph 3(xii) of the Order are not applicable to the Company.

(xiv) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 188 of Act, where applicable, and the requisite details have been disclosed in the Financial Statements etc., as required by the applicable Ind AS. Section 177 of the Act is not applicable to the Company.

(xv) As informed, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

AMIT DESAI & CO. MUMBAI Chartered Accountants

(xvi) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.

(xvii) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Amit Desai & Co
Chartered Accountants
ICAI Firm Reg. No.: 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

Andesai

(Amit N. Desai)
Partner
Membership No.: 032926

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

Mumbai: May 18, 2018

18 MAY 2018

ANNEXURE B

To The Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Financial Statements of MMG INDIA PRIVATE LIMITED ("the Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, both issued by the ICAI. 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR 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 the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. A Company's IFCoFR 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

AMIT DESAI & CO.
MUMBAI
Chartered Accountants

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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 ICAI.

For Amit Desai & Co

Chartered Accountants

ICAI Firm Reg. No.: 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

Andesai

(Amit N. Desai)

Partner

Membership No.: 032926

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

Mumbai: May 18, 2018

18 MAY 2018

MMG INDIA PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Rs. In '000

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3	149,694.88	145,834.60	166,317.59
(b) Intangible Assets	4	1,248.45	361.02	304.99
(c) Capital Work-in-Progress		250.00	1,109.38	1,860.77
(d) Financial Assets				
Other Financial Assets	5	710.25	2,754.98	8,376.07
(e) Deferred Tax Assets (Net)	42	3,081.59	6,114.02	6,223.78
(f) Non-Current Tax Assets (Net)	6	2,259.70	2,180.97	1,998.31
(g) Other Non-Current Assets	7	3,197.39	5,898.89	8,600.39
Total Non - Current Assets		**160,442.26**	**164,253.85**	**193,681.90**
Current Assets				
(a) Inventories	8	61,474.59	54,416.28	40,179.71
(b) Financial Assets				
(i) Trade Receivables	9	87,750.58	56,991.61	50,933.40
(ii) Cash and Cash Equivalents	10	1,378.50	379.41	943.38
(iii) Bank Balances Other Than (ii) Above	11	2,234.97	12,738.49	14,474.12
(iv) Other Financial Assets	12	453.85	823.73	559.28
(c) Other Current Assets	13	29,972.46	21,870.52	17,533.46
(d) Assets Held for Sale	14	23,640.54	23,640.54	-
Total Current Assets		**206,905.48**	**170,860.57**	**124,623.36**
Total Assets		**367,347.74**	**335,114.42**	**318,305.26**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	138,658.70	138,658.70	138,658.70
(b) Other Equity	16	(201,184.66)	(148,175.05)	(107,288.72)
Total Equity		**(62,525.96)**	**(9,516.35)**	**31,369.98**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	17	64,504.98	58,216.34	72,362.49
(b) Provisions	18	3,835.47	3,402.45	2,719.43
Total non-current liabilities		**68,340.45**	**61,618.79**	**75,081.92**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	234,790.24	184,647.72	132,502.55
(ii) Trade Payables	20	37,399.85	33,914.53	28,082.80
(iii) Other Financial Liabilities	21	59,906.24	31,288.42	18,988.06
(b) Other Current Liabilities	22	27,294.79	31,561.01	30,570.41
(c) Provisions	23	2,142.13	1,600.31	1,709.53
Total Current Liabilities		**361,533.25**	**283,011.99**	**211,853.36**
Total Equity and Liabilities		**367,347.74**	**335,114.42**	**318,305.26**

The accompanying significant accounting policies and notes are an integral part of these financial statements.

As Per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants
ICAI Firm Reg. No. 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

(Amit N. Desai)
Partner
Membership No. 032926

Mumbai: 18 MAY 2018

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Dr. Ram H. Shroff
(Director)
DIN: 00004865

Abhilash Sunny
(WTD & CFO)
DIN: 01985382

Mumbai: 18 MAY 2018

MMG INDIA PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. In '000

Particualrs	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue			
Revenue from Operations	24	204,579.00	177,261.91
Other Income	25	4,334.27	4,034.07
Total Revenue		**208,913.27**	**181,295.99**
Expenses			
Cost of Materials Consumed	26	89,187.01	56,932.20
Changes in Inventories of Finished Goods & Work in Progress	27	874.15	1,149.13
Excise Duty	24	3,655.69	12,117.60
Employee Benefit Expense	28	47,268.96	47,838.98
Finance Costs	29	36,402.99	27,502.01
Depreciation and Amortisation Expense	3 & 4	11,471.84	10,713.07
Other Expenses	30	70,254.97	65,369.51
Total Expenses		**259,115.61**	**221,622.50**
Profit Before Tax		**(50,202.33)**	**(40,326.51)**
Tax Expenses	42		
- Current Tax		-	-
- Deferred Tax		2,973.89	248.83
Total Tax Expense		**2,973.89**	**248.83**
Profit For The Year		**(53,176.22)**	**(40,575.34)**
Other Comprehensive Income			
a) Items that will not be reclassified into profit or loss			
- Remeasurements of the Defined Benefit Obligations		225.16	(450.06)
b) Income tax relating to above items	42	(58.54)	139.07
Total Other Comprehensive Income of the Year		**166.62**	**(310.99)**
Total Comprehensive Income for the Year		**(53,009.60)**	**(40,886.33)**
Earnings Per Equity Share (Nominal Value of Rs.10/- Each)			
Basic and Diluted Earnings Per Share	34	(3.84)	(2.93)

The accompanying significant accounting policies and notes are an integral part of these financial statements.

As Per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants
ICAI Firm Reg. No. 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

Andesai

(Amit N. Desai)
Partner
Membership No. 032926

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

Mumbai: 18 MAY 2018

For and on behalf of the Board of Directors

Dr. Ram H. Shroff
(Director)
DIN: 00004865

Abhilash Sunny
(WTD & CFO)
DIN: 01985382

Mumbai: 18 MAY 2018

MMG INDIA PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital **Rs. In '000**

Particulars	**Amount**
As at April 1, 2016	**138,658.70**
Changes in Equity Share Capital	-
As at March 31, 2017	**138,658.70**
Changes in Equity Share Capital	-
As at March 31, 2018	**138,658.70**

B. Other equity **Rs. In '000**

	Reserves and Surplus		**Total Other Equity**
	Retained Earnings	**Deemed Equity**	
Balance As At April 1, 2016	**(123,549.53)**	**16,260.81**	**(107,288.72)**
Additions During the Year	-	-	-
Profit/(Loss) for the Year	(40,575.34)	-	(40,575.34)
Other Comprehensive Income/(Loss) for the Year	(310.99)	-	(310.99)
Deletions During the Year	-	-	-
Balance As At March 31, 2017	**(164,435.86)**	**16,260.81**	**(148,175.05)**
Balance As At April 1, 2017	(164,435.86)	16,260.81	(148,175.05)
Additions During the Year	-	-	-
Profit/(Loss) for the Year	(53,176.22)	-	(53,176.22)
Other Comprehensive Income/(Loss) for the Year	166.62	-	166.62
Deletions During the Year	-	-	-
Balance As At March 31, 2018	**(217,445.46)**	**16,260.81**	**(201,184.66)**

The accompanying significant accounting policies and notes are an integral part of these financial statements.

As Per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants
ICAI Firm Reg. No. 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

Andesai

(Amit N. Desai)
Partner
Membership No. 032926

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

Mumbai:
18 MAY 2018

For and on behalf of the Board of Directors

Dr. Ram H. Shroff
(Director)
DIN: 00004865

Abhilash Sunny
(WTD & CFO)
DIN: 01985382

Mumbai:
18 MAY 2018

MMG INDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. In '000

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(50,035.72)	(40,637.50)
Adjustments For:		
Interest Income	(499.83)	(1,903.56)
Sundry Balances Written Back / (Written Off)	(5.56)	(608.38)
Excise Duty on Finished Goods	(2,743.09)	(86.63)
Provision for Employee Benefits	1,293.87	739.59
Finance Costs	36,402.99	27,502.01
Provision for Doubtful Debts	945.96	61.55
Depreciation and Amortisation Expense	11,471.84	10,713.07
Operating Profit / (Loss) Before Working Capital Changes	(3,169.54)	(4,219.86)
Adjustments For:		
(Change in Operating Assets and Liabilities)		
Employee Benefits	(319.02)	(165.81)
Trade Payables	3,490.88	6,440.10
Other Financial Liabilities	1,483.83	(2,585.58)
Other Current Liabilities	(4,266.22)	990.60
Other Current Assets	(8,101.94)	(4,337.06)
Other Financial Assets - Non-Current	2,044.73	5,621.09
Trade Receivables	(31,704.93)	(6,119.76)
Inventories	(4,315.22)	(14,149.93)
Other Financial Assets - Current	(126.30)	(226.63)
Cash Generated From / (Used in) Operations	(44,983.75)	(18,752.82)
Less: Income Taxes Paid (Net)	(20.19)	(321.72)
Net Cash Flow From / (Used in) Operating Activities	**(45,003.94)**	**(19,074.54)**
Cash Flows From Investing Activities		
Payments for Property, Plant and Equipment and Intangible Assets (including Capital Work-in-Progress and Capital Advances)	(18,213.28)	(10,322.14)
Proceeds from Sale of Property, Plant and Equipment	-	-
Interest Income	996.02	1,865.74
Movement in Cash and Bank Balances Which are Not Considered as Cash and Cash	10,503.52	1,735.63
Net Cash Flow From / (Used in) Investing Activities	(6,713.74)	(6,720.77)
Cash Flows from Financing Activities		
Net Proceeds of Borrowings - Non Current	25,066.21	(9,669.34)
Net Proceeds of Borrowings - Current	50,142.53	52,060.78
Finance Costs	(22,491.97)	(17,160.10)
Net Cash From / (Used in) Financing Activities	52,716.77	25,231.34
Net Increase / (Decrease) in Cash and Cash Equivalents	**999.10**	**(563.98)**
Cash and Cash Equivalents at the Beginning of the Year	379.41	943.38
Cash and Cash Equivalents at the End of the Year	**1,378.50**	**379.41**
Cash and Cash Equivalent Includes (Refer Note No.10)		
In Book Overdraft Accounts (Refer Note No.22)		

Notes:

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash

2) Figures in bracket indicate cash outflow.

As Per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants
ICAI Firm Reg. No. 130710W

AMIT DESAI & CO. MUMBAI Chartered Accountants

Andesai

(Amit N. Desai)
Partner
Membership No. 032926

AMIT DESAI Mumbai M. No. 32926 CHARTERED ACCOUNTANTS

Mumbai:

18 MAY 2018

For and on behalf of the Board of Directors

Dr. Ram H. Shroff
(Director)
DIN: 00004865

Abhilash Sunny
(WTD & CFO)
DIN: 01985382

Mumbai:

18 MAY 2018

1 COMPANY OVERVIEW

MMG INDIA PRIVATE LIMITED ("the Company") is a Company incorporated on June 5, 1996 under the provision of the Companies Act applicable in India. The Company is incorporated and domiciled and having principal place of business in India. The registered office is at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010, India. The principal business of the company is manufacturing of soft ferrites. The Company is subsidiary of Delta Magnets Limited("the Holding Company").

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) STATEMENT OF COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND AS)

The financial statements have been prepared in accordance with Indian Accounting Standards (hereafter referred to as the "Ind AS") as notified under Section 133 of the Companies Act, 2013("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under **Note 44.**

The date transition to Ind AS is April 01, 2016. The financial statements as at and for the year ended 31st March 2018 (including Comparatives) were approved and authorised by the Company's Board of Directors as on **18th May 2018.**

These financial statements for the year ended 31st March 2018 are the first financial year with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards.

(ii) HISTORICAL COST CONVENTION

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April 2016 being the date of transition.

(iii) ROUNDING OF AMOUNTS

All the amounts disclosed in the financial statements and notes are presented in Indian Rupees have rounded off to the nearest thousands as per requirement of Schedule III, unless otherwise states. The amount '0' denotes amount less than Rs. Ten.

(iv) CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the year in which results are known /materialised. Any revision to an accounting estimate is recognised prospectively in the year of revision.

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(c) REVENUE RECOGNITION

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

Sale of products:

Revenue from sale of products is recognised when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

Rendering of services:

Revenue from services is recognised when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income:

Interest income is recognised using effective interest method. Interest refund on loan under 'TUF' scheme is accounted on accrual basis.

Dividend income:

Dividend income is recognised when the right to receive payment is established.

(d) PROPERTY, PLANT AND EQUIPMENT

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of items of property, plant and equipment is mentioned below:

Category of Asset	Years
Factory Building	30
Office Building	60
General - Plant and Machinery	15 - on Single Shift
Plant and Machinery - Continuous Process Plant	25
Furniture and Fixtures	10
Electrical Installations and Equipment	10
Computers and Data Processing Units	3
Office Equipments	3 - 5
Motor Cars	8
Motor Cycles	10

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Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.

- Tools are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(e) INTANGIBLE ASSETS

Measurement at recognition:

Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The estimated useful life of intangible assets is mentioned below:

Category of Asset	Years
Computer Software	5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(f) IMPAIRMENT

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

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(g) INVENTORY

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, FIFO method is used.

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Fixed production overheads are allocated on the basis of normal capacity of production facilities.

(h) FOREIGN CURRENCY TRANSLATION

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

(i) INCOME TAXES

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized

Minimum Alternate Tax (MAT)

Tax credit for Minimum Alternate Tax (MAT is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. MAT credit is recognised as deferred tax in financial statements.

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(j) PROVISIONS AND CONTINGENCIES

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(k) LEASE ACCOUNTING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

(i) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or

(ii) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(l) BORROWING COST

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(m) EVENTS AFTER REPORTING DATE

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(n) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

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Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

(i) Financial assets measured at amortized cost

(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) 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.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer Note 43 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) 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.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies, if any (Refer Note 43 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

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Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables and lease receivables
ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (Refer Note 43 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

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(o) FAIR VALUE

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(p) EMPLOYEE BENEFITS

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined Contribution Plans:

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund etc.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

II. Defined Benefit Plans:

The Company also provides for retirement/post-retirement benefits in the form of gratuity.

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave are recognized when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

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(q) EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period.

Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(r) GOVERNMENT GRANTS AND SUBSIDIES

Recognition and Measurement:

The Company is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, 'Financial Instruments'. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.

Presentation:

Income from subsidies are presented on gross basis under Revenue from Operations. Income arising from below-market rate of interest loans are presented on gross basis under Other Income.

(s) GOVERNMENT GRANTS AND SUBSIDIES

Recognition and Measurement:

The Company is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

(t) INVESTMENT IN SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 4.
Impairment policy applicable on such investments is explained in note 2(f) above.

(u) CASH AND CASH EQUIVALENTS

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

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(v) RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from Contract with Customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board(IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

a. Ind AS 115, Revenue from Contract with Customers:

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

b. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The appendix clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment of receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

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NOTES TO THE FINANCIALS STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 3 : Property, Plant and Equipment

Rs. In '000

Particulars	Freehold Land	Building	Plant & Machineries	Furniture & Fixtures	Vehicles	Computers	Equipments	Total
Gross Carrying Amount (Cost/Deemed Cost)								
Deemend Cost As At April 1, 2016	10,945.43	28,181.40	396,757.68	6,617.58	2,237.50	4,421.07	758.49	449,919.14
Additions	-	-	13,310.86	180.30	-	207.40	20.50	13,719.06
Disposals / Adjustements	-	-	-	-	-		(1.49)	(1.49)
Transfer to Assets Held For Sale	(10,945.43)	(28,181.40)	-	-	-	-	-	(39,126.83)
Balance As At March 31, 2017	-	-	**410,068.53**	**6,797.88**	**2,237.50**	**4,628.47**	**777.49**	**424,509.87**
Accumulated Depreciation								
Balance As At April 1, 2016	-	14,432.35	258,685.19	5,431.57	852.70	4,177.52	22.22	283,601.55
Charge for the Year	-	1,053.95	8,872.67	202.83	193.00	163.86	73.71	10,560.02
Reverse Charge on Disposals	-	-	-	-	-	-	-	-
Transfer to Assets Held for Sale	-	(15,486.29)	-	-	-	-	-	(15,486.29)
Balance As At March 31, 2017	-	-	267,557.86	5,634.40	1,045.71	4,341.38	95.93	278,675.28
Net Carrying Amount As At April 1, 2016	**10,945.43**	**13,749.05**	**138,072.48**	**1,186.01**	**1,384.80**	**243.55**	**736.27**	**166,317.59**
Net Carrying Amount As At March 31, 2017	-	-	**142,510.67**	**1,163.48**	**1,191.79**	**287.09**	**681.57**	**145,834.60**

Rs. In '000

Particulars	Freehold Land	Building	Plant & Machineries	Furniture & Fixtures	Vehicles	Computers	Equipments	Total
Gross Carrying Amount (Cost/Deemed Cost)								
Deemed Cost As At April 1, 2017	-	-	410,068.53	6,797.88	2,237.50	4,628.47	777.49	424,509.87
Additions	-	-	15,023.86	86.30	-	-	-	15,110.16
Disposals / Adjustements	-	-	-	-	-	-	-	-
Balance As At March 31, 2018	-	-	**425,092.40**	**6,884.18**	**2,237.50**	**4,628.47**	**777.49**	**439,620.04**
Accumulated Depreciation								
Balance As At April 1, 2017	-	-	267,557.86	5,634.40	1,045.71	4,341.38	95.93	278,675.28
Charge for the Year	-	-	10,557.75	207.30	193.00	217.97	73.86	11,249.88
Reverse Charge on Disposals	-	-	-	-	-	-	-	-
Balance As At March 31, 2018	-	-	**278,115.61**	**5,841.70**	**1,238.71**	**4,559.35**	**169.79**	**289,925.15**
Net Carrying Amount As At April 1, 2017	-	-	**142,510.67**	**1,163.48**	**1,191.79**	**287.09**	**681.57**	**145,834.60**
Net Carrying Amount As At March 31, 2018	-	-	**146,976.79**	**1,042.48**	**998.79**	**69.12**	**607.71**	**149,694.88**

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NOTES TO THE FINANCIALS STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4: Intangible Assets

Rs. In '000

Particulars	Computer Software	Total
Gross Carrying Amount (Cost/Deemed Cost)		
Deemend Cost As At April 1, 2016	1,578.89	1,578.89
Additions	209.09	209.09
Disposals / Adjustements	-	-
Balance As At March 31, 2017	**1,787.98**	**1,787.98**
Additions	1,109.38	1,109.38
Disposals / Adjustements	-	-
Balance As At March 31, 2018	**2,897.37**	**2,897.37**
Accumulated Depreciation		
Balance As At April 1, 2016	1,273.90	1,273.90
Charge for the Year	153.06	153.06
Reverse Charge on Disposals	-	-
Balance As At March 31, 2017	**1,426.96**	**1,426.96**
Charge for the Year	221.96	221.96
Reverse Charge on Disposals	-	-
Balance As At March 31, 2018	**1,648.92**	**1,648.92**
Net Carrying Amount		
As At April 1, 2016	**304.99**	**304.99**
As At March 31, 2017	**361.02**	**361.02**
As At March 31, 2018	**1,248.45**	**1,248.45**

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MMG INDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 5: Other Financial Assets - Non Current

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good			
Security Deposits	710.25	2,754.98	8,376.07
Total	**710.25**	**2,754.98**	**8,376.07**

Note 6: Non-Current Tax Assets (Net)

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax Receivables	2,259.70	2,180.97	1,998.31
Total	**2,259.70**	**2,180.97**	**1,998.31**

Note 7: Other Non-Current Assets

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Financial Guarantee Commission	3,197.39	5,898.89	8,600.39
Total	**3,197.39**	**5,898.89**	**8,600.39**

Note 8: Inventories

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	23,652.80	18,888.37	8,018.65
Work-In-Progress	6,479.16	4,617.21	4,986.63
Finished Goods	21,951.73	24,687.83	25,467.54
Stores and Spares	9,390.89	6,222.87	1,706.89
Total	**61,474.59**	**54,416.28**	**40,179.71**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9: Trade Receivables

Rs. In '00

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good	87,750.58	56,991.61	50,933.40
Unsecured, Considered Doubtful	1,007.50	61.55	1,192.13
Less: Allowance for Doubtful Debts	(1,007.50)	(61.55)	(1,192.13
Total	**87,750.58**	**56,991.61**	**50,933.40**

Note 10: Cash and Cash Equivalents

Rs. In '00

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on Hand	34.67	36.36	83.40
Balances with Banks in Current Accounts	1,343.82	343.05	327.08
Deposits with Banks having Maturity Less Than 3 Months	-	-	532.91
Total	**1,378.50**	**379.41**	**943.38**

Note 11: Bank Balances Other Than Cash and Cash Equivalents

Rs. In '00

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with Banks Having Maturity More Than 3 Months But Less Than 12 Months*	2,234.97	12,738.49	14,474.12
Total	**2,234.97**	**12,738.49**	**14,474.12**

*Fixed Deposits have been pledged against borrowing from a bank or lien marked against bank guarantee.

Note 12: Other Financial Assets - Current

Rs. In '00

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposit	428.78	245.80	62.49
Accrued Interest Receivables	25.07	521.26	483.43
Other Receivables	-	56.68	13.36
Total	**453.85**	**823.73**	**559.28**

Note 13: Other Current Assets

Rs. In '00

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance With Statutory / Government Authorities	26,102.25	18,615.51	11,152.72
Advance to Creditors	798.02	272.87	2,424.89
Prepaid Expenses	337.56	259.71	191.99
Advance to Employees	33.13	20.94	111.89
Other Receivables	-	-	950.46
Prepaid Financial Guarantee Commission	2,701.50	2,701.50	2,701.50
Total	**29,972.46**	**21,870.52**	**17,533.46**

Note 14: Assets Classified as Held For Sale

Rs. In '00

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Immovable Properties Situated at Chennai	23,640.54	23,640.54	-
Total	**23,640.54**	**23,640.54**	**-**

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Note 15: Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Rs. In '000	No. of Shares	Rs. In '000	No. of Shares	Rs. In '000
Authorised:						
Equity Shares of Rs.10/- Each	15,000,000	150,000.00	15,000,000	150,000.00	15,000,000	150,000.00
Issued, Subscribed and Fully Paid-up:						
Equity Shares of Rs.10/- Each, Fully Paid-Up	13,865,870	138,658.70	13,865,870	138,658.70	13,865,870	138,658.70
Total	13,865,870	138,658.70	13,865,870	138,658.70	13,865,870	138,658.70

Terms & Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per Share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

Reconciliation of the Equity Shares at the Beginning and End of the Reporting Period

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Rs. In '000	No. of Shares	Rs. In '000	No. of Shares	Rs. In '000
Balance at the Beginning of the Year	13,865,870	138,658.70	13,865,870	138,658.70	13,865,870	138,658.70
Issued During the Year	-	-	-	-	-	-
Brought Back During the Year	-	-	-	-	-	-
Balance at the End of the Year	13,865,870	138,658.70	13,865,870	138,658.70	13,865,870	138,658.70

Details of Equity Shareholders Holding More Than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Delta Magnets Limited - Holding Company	13,865,870	100.00	13,865,870	100.00	13,865,870	100.00

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 16 : Other Equity

(Rs. in '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Retained Earnings			
Opening Balance	(164,435.86)	(123,549.53)	
(+) Net Profit During the Year	(53,176.22)	(40,575.34)	
(+) / (-) Other Comprehensive Income or Loss During the Year	166.62	(310.99)	
Closing Balance	(217,445.46)	(164,435.86)	(123,549.53
Deemed Equity			
Opening Balance	16,260.81	16,260.81	
(+) During the Year	-	-	
(-) During the Year	-	-	
Closing Balance	16,260.81	16,260.81	16,260.81
Total	**(201,184.66)**	**(148,175.05)**	**(107,288.72**

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Note 17: Borrowings - Non-Current

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Borrowings:			
- From a Bank	64,303.04	57,761.16	71,672.77
[Outstanding balance as at Balance sheet date carry interest @ 14.05% p.a. (Floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule at monthly rests. Installment started from July, 2015.]			
- From a Financial Institution	201.94	455.18	689.72
(Outstanding Balance as at Balance sheet date carry floating interest @10.25% p.a., repayable in 60 months at monthly rests. Further, it is secured against hypothecation of Motor Vehicle)			
Total	**64,504.98**	**58,216.34**	**72,362.49**

Nature of Security

The said borrowings are secured by way of registered mortgage of immovable property situated at Chennai and exclusive charge by way of hypothecation on entire movable fixed assets & current assets of the Company, present and future. Further, extension of equitable mortgage of immovable property owned by Holding Company situated at Nashik. Also corporate guarantee is given by the Holding Company.

Note 18: Provisions - Non-Current

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits			
Gratuity (Funded) (Refer Note 32)	3,835.47	3,402.45	2,719.43
Total	**3,835.47**	**3,402.45**	**2,719.43**

Note 19: Borrowings - Current

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans Repayable on Demand			
- Cash Credit	39,949.00	30,849.58	16,945.79
[Repayable on demand and carry interest @ 11.40% p.a. (Floating). For details of securities refer note 4 (a)]			
- Buyer's Credit Facility	-	49,472.89	69,986.75
(Various buyer credits are repayable within one year from the date of credit facility and carries interest @ LIBOR + variable BPS. For details of securities refer note 4 (a)]			
- Inter Corporate Deposit and Loan from a Director	194,841.25	104,325.25	45,570.00
(Repayable on demand and carry interest @ 9.00% p.a.)			
Total	**234,790.24**	**184,647.72**	**132,502.55**

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Note 20: Trade Payables

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Micro, Small and Medium Enterprises	-	-	-
- Others	37,399.85	33,914.53	28,082.80
Total	**37,399.85**	**33,914.53**	**28,082.80**

Details of Dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. The Company has sent letters to suppliers to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 as well as whether they have filed required memorandum with the prescribed authorities. Out of the letters sent to the parties, some confirmations have been received till the date of finalisation of Balance Sheet. Based on the confirmations received, if any, the details of outstandings are as under:

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The principal amount remaining unpaid at the end of the year	-	-	-
The Interest amount remaining unpaid at the end of the year	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

Note 21: Other Financial Liabilities - Current

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of Long-Term Borrowings	32,370.18	13,592.60	9,115.79
Interest Accrued and Due on Borrowings	22,022.79	8,671.65	2,735.29
Interest Accrued But Not Due on Borrowings	907.01	3,048.61	1,344.57
Payable to Employees	4,606.26	3,122.43	2,325.79
Payable for Capital Assets	-	2,853.12	-
Book Overdraft	-	-	84.39
Other Current Liabilities	-	-	3,382.22
Total	**59,906.24**	**31,288.42**	**18,988.06**

Note 22: Other Current Liabilities

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Duties & Taxes	7,829.28	11,730.87	2,507.28
Advance Received from Customers	19,465.51	19,830.14	28,063.13
Total	**27,294.79**	**31,561.01**	**30,570.41**

Note 23: Provisions - Current

Rs. In '000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<u>Provision for Employee Benefits:</u>			
Leave Encashment (Unfunded) (Refer Note 32)	2,142.13	1,600.31	1,709.53
Total	**2,142.13**	**1,600.31**	**1,709.53**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 24: Revenue from Operations

Rs. In '000

Particualrs	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Sale of Products (Including Excise Duty)	203,275.49	172,638.19
Sale of Services	1,303.51	4,623.72
Total	**204,579.00**	**177,261.91**

Goods and Service Tax (GST) has been effected from July 1, 2017. Consequently excise duty, value added tax, service tax etc. have been replaced with GST. Until June 30, 2017 "Sale of products" included the amount of excise duty recovered on sale. With effect from July 1, 2017 sale of products excludes the amount of GST recovered. Accordingly, revenue from sale of products for the year ended March 31, 2018 is not comparable with that of the previous year. The following additional information is being provided to facilitate such understanding:

Rs. In '000

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Revenue from Operations (Sale of Products)	204,579.00	177,261.91
Less: Excise Duty	3,655.69	12,117.60
Revenue from Operations (Sale of Products) Excluding Excise Duty	**208,234.69**	**189,379.51**

Note 25: Other Income

Rs. In '000

Particualrs	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Interest Income	499.83	1,903.56
Duty Draw Back Income	401.46	540.83
Exchange Rate Fluctuation	3,402.10	870.36
Excess Provision Written Back	-	237.75
Sundry Balances Written Back	5.56	370.63
Gain on Derecognition of Financial Asset	-	65.71
Miscellaneous Income	25.32	45.24
Total	**4,334.27**	**4,034.07**

Note 26: Cost of Materials Consumed

Rs. In '000

Particualrs	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Opening Stock	18,888.37	8,018.65
Add: Purchases of Raw Materials	93,951.44	67,801.92
	112,839.81	75,820.57
Less: Closing Stock	(23,652.80)	(18,888.37)
Total	**89,187.01**	**56,932.20**

Note 27: Changes in Inventory of Finished Goods & Work-in-Progress

Rs. In '000

Particualrs		Year Ended 31 March, 2018	Year Ended 31 March, 2017
Stocks At the End:			
Finished Goods		21,951.73	24,687.83
Work-in-Progress		6,479.16	4,617.21
	(A)	28,430.89	29,305.04
Stocks At the Beginning:			
Finished Goods		24,687.83	25,467.54
Work-in-Progress		4,617.21	4,986.63
	(B)	29,305.05	30,454.17
Total	**(B) - (A)**	**874.15**	**1,149.13**

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Note 28: Employee Benefits Expense

Rs. In '000

Particualrs	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Salaries and Wages	43,046.40	43,825.49
Contribution to Provident and Other Funds (Refer Note 32)	1,457.79	1,801.50
Contribution to Gratuity Fund and Leave Encashment (Refer Note 32)	1,293.87	739.59
Staff Welfare Expenses	1,470.90	1,472.40
Total	**47,268.96**	**47,838.98**

Note 29: Finance Costs

Rs. In '000

Particualrs	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest Expenses	35,460.25	26,084.88
Other Borrowing Costs	942.75	1,417.12
Total	**36,402.99**	**27,502.01**

Note 30: Other Expenses

Rs. In '000

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Consumption of Stores & Spares, Consumables and Packing Materials etc.	29,698.75	20,622.73
Job Work Chagres	1,891.32	2,914.74
Power and Fuel	21,027.06	22,107.08
Rates, Taxes and Water Charges	464.65	543.62
Repairs and Maintenance:		
- Plant & Machinery	2,670.72	2,838.03
- Building	52.90	41.17
- Others	100.47	-
Excise Duty Variation on Opening / Closing Stock of Finished Goods	(2,743.09)	(86.63)
Insurance Charges	225.71	282.35
Travelling & Conveyance Expenses	3,580.41	3,669.14
Freight Charges	5,005.63	5,190.39
Selling & Distribution cost	131.84	193.77
Provision for Doubtful Debts / Bad Debts	945.96	61.55
Lease Rent	3,072.95	2,788.30
Legal & Professional Fees	1,840.52	1,616.19
Miscellaneous Expenses	2,138.59	2,537.09
Prior Period expenses		
Payments to the Auditor:		
- As Auditor	150.00	50.00
- For Taxation Matters	-	-
- For Company Law Matters	0.58	-
	150.58	50.00
Total	**70,254.97**	**65,369.51**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

31 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs in '000)

A	Contingent Liabilities	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a)	**Claims against the Company not acknowledged as debts** (Excluding interest and penalty on the respective amount if any arrived upon the final outcome)			
####	Sales Tax Liabilities - on account of non receipt of "C" Forms	1,056.14	3,837.98	5,187.82
####	TDS as per TRACES	1,375.52	1,361.11	1,335.96
####	Disputed ESIC Demands	-	89.69	89.69
####	Disputed Sales Tax Demands	11,443.23	11,668.05	224.82
(b)	**Guarantees & Securities**			
####	Outstanding Letters of Credit	8,229.38	7,076.24	3,418.21
	TOTAL	22,104.27	24,033.07	10,256.50

(Rs in '000)

B	Commitments	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Estimated amount of contracts remaining to be executed on capital account and not provided for			
	- Towards Property, Plant and Equipment	-	1,397.60	-

32 EMPLOYEE BENEFITS

Brief Description of the Plans:

The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

A. Define Benefit Plans:

The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

I. Principal Actuarial Assumptions Used:

Particulars	Funded	Funded	Funded
	2017-18	2016-17	2015-16
Discount Rate (per annum)	7.88%	7.26%	7.86%
Salary Escalation Rate	6.00%	6.00%	6.00%
Rate of Employee Turnover	5.00%	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected Rate of Return on Plan Assets (per annum)	N.A.	N.A.	N.A.

II. Expenses Recognised in Statement of Profit and Loss

(Rs. in '000)

Particulars	Funded	Funded
	2017-18	2016-17
Current Service Cost	411.16	388.89
Net Interest Cost	247.02	213.75
Past Service Cost	-	-
Total Expenses / (Income) Recognised in the Statement of Profit and Loss	658.18	602.63

The total expenses for the year are included in the 'Employee Benefits Expense" line item in the Statement of Profit & Loss.

III. Expenses Recognized in the Other Comprehensive Income (OCI)

(Rs. in '000)

Particulars	Funded	Funded
	2017-18	2016-17
Actuarial (Gains)/Losses on Obligation - Due to Changes in Financial Assumptions	(163.63)	173.06
Actuarial (Gains)/Losses on Obligation - Due to Experience Adjustment	(54.48)	283.51
Return on Plan Assets, Excluding Interest Income	(7.05)	(6.51)
Net (Income)/Expense For the Year Recognized in OCI	(225.16)	450.06

The remeasurement of the net defined benefit liability is included in other comprehensive income.

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IV. Movements in the Present Value of Defined Benefit Obligation are as Follows:

(Rs. in '000)

Particulars	2017-18	2016-17
Present Value of Defined Benefit Obligation at the Beginning of the Year	5,209.75	4,388.99
Interest Cost	378.23	344.98
Current Service Cost	411.16	388.89
Past Service Cost	-	-
Benefit Paid Directly by the Employer	-	(369.68)
Benefit Paid Directly From the Fund	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to Changes in Financial Assumptions	(163.63)	173.06
Actuarial (Gains)/Losses on Obligation For the Period - Due to Experience Adjustment	(54.48)	283.51
Defined Benefit Obligation at the End of the Year	5,781.03	5,209.75

V. Amount Recognised in the Balance Sheet

(Rs. in '000)

Particulars	2017-18	2016-17
Present Value of Defined Benefit Obligation as at the End of the Year	(5,781.03)	(5,209.75)
Fair Value of Plan Assets at the end of the Year	1,945.56	1,807.30
Funded Status [Surplus/ (Deficit)]	(3,835.47)	(3,402.45)
Net Liability/(Asset) Recognised in the Balance Sheet	(3,835.47)	(3,402.45)

VI. Maturity Analysis of the Benefit Payments: From the Fund

(Rs. in '000)

Particulars	2017-18	2016-17
	From Fund	From Fund
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	1,350.90	282.69
2nd Following Year	712.19	291.37
3rd Following Year	1,045.90	705.73
4th Following Year	220.80	1,422.97
5th Following Year	365.53	227.18
Sum of Years 6 To 10	3,101.67	2,384.09
Sum of Years 11 and above	2,353.23	3,278.30

The Plan typically to expose the Company to actuarial risk such as Interest Risk, Longevity Risk and Salary Risk;

a) Interest Risk:- A decrease in the bond interest rate will increase the plan liability.

b) Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

c) Salary Risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan's participants will increase the plan's liability.

VII. Sensitivity Analysis

(Rs. in '000)

Particulars	2017-18	2016-17
Projected Benefits Payable in Future Years From the Date of Reporting	5,781.03	5,209.75
Impact of +1% Change in Rate of Discounting	(242.62)	(282.82)
Impact of -1% Change in Rate of Discounting	269.44	313.12
Impact of +1% Change in Rate of Salary Increase	271.78	313.93
Impact of -1% Change in Rate of Salary Increase	(248.94)	(288.60)
Impact of +1% Change in Rate of Employee Turnover	18.06	8.25
Impact of -1% Change in Rate of Employee Turnover	(20.80)	(10.00)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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B. Defined Contribution Plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employee State Insurance Corporation and Labour Welfare Fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plans are as follows:

Charge to the Statement of Profit and Loss based on contributions:

(Rs. in '000)

Particulars	2017-18	2016-17
Employer's contribution to Regional Provident Fund Office	1,132.03	1,502.53
Employer's contribution to Employees' State Insurance	322.49	295.55
Employer's contribution to Labour Welfare Fund	3.28	3.42

C. Leave Obligations

The leave obligations cover the Company's liability for earned leave.
The amount of the provision of Rs. 2142.13 ('000) [31st March, 2017 Rs. 1600.31('000)] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(Rs. in '000)

Particulars	2017-18	2016-17
Current Service Cost	635.69	187.69
Total Expenses / (Income) Recognised in the Statement of Profit and Loss	635.69	187.69

33 INFORMATION IN ACCORDANCE WITH THE REQUIREMENTS OF IND AS 24 ON RELATED PARTY DISCLOSURES

(A) LIST OF RELATED PARTIES

(i) Holding Company:
Delta Magnets Limited (DML)

(ii) Companies under Common Control:
MagDev Limited (Magdev Limited)

(iii) Key Management Personnel's (KMP):
Mr. Dr. Ram H. Shroff (RHS) - Executive Vice Chairman & Managing Director
Mr. Mr. Javed Tapia (JT) - Independent Director
Dr. Vrajesh Udani (VU) - Independent Director
Mr. Darius Khambatta (DK) - Non-executive Director
Mr. Abhilash Sunny (AS) - Whole Time Director & Chief Financial Officer

(iv) Person haiving significant influence/control directly or indirectly:
Mr. Jaydev Mody (JM) - Chairman of the Holding Company

(v) Enterprises over which persons mentioned in (iii) and (iv) or their relatives above exercise significant influence/control directly or indirectly:
Aarti Management Consultancy Private Limited (AAMPL)
Aditi Management Consultancy Private Limited (ADMPL)

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MMG INDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(B) DETAILS OF TRANSACTIONS CARRIED OUT WITH RELATED PARTIES

(Rs in '000)

Particulars	Holding Company and Companies Under Common Control		KMP or Enterprises over which Individuals mention in (iii) and (iv) or their relatives exercise significant influence/control directly or indirectly		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Sale of Goods:						
Magdev Ltd	14,322.36	15,761.61	-	-	14,322.36	15,761.61
Sub Total	**14,322.36**	**15,761.61**	-	-	**14,322.36**	**15,761.61**
Job Work Income:						
DML	-	348.30	-	-	-	348.30
Sub Total	-	**348.30**	-	-	-	**348.30**
Loan Received:						
DML	43,149.00	11,955.25	-	-	43,149.00	11,955.25
A A M P L	-	-	61,500.00	42,200.00	61,500.00	42,200.00
A D M P L	-	-	8,000.00	-	8,000.00	-
Dr Ram Shroff	-	-	3,000.00	6,600.00	3,000.00	6,600.00
Sub Total	**43,149.00**	**11,955.25**	**72,500.00**	**48,800.00**	**115,649.00**	**60,755.25**
Repayment of Loan Taken						
DML	25,133.00	-	-	-	25,133.00	-
A A M P L	-	-	-	2,000.00		2,000.00
A D M P L	-	-	-	-	-	-
Dr Ram Shroff	-	-	-	-	-	-
Sub Total	**25,133.00**	-	-	**2,000.00**	**25,133.00**	**2,000.00**
Advance Received (Repaid) from Customer:						
Magdev Ltd	5,629.60	(10,621.36)	-	-	5,629.60	(10,621.36)
Sub Total	**5,629.60**	**(10,621.36)**	-	-	**5,629.60**	**(10,621.36)**
Interest Expenses						
DML	2,797.62	1,767.48	-	-	2,797.62	1,767.48
A A M P L	-	-	9,869.70	4,508.53	9,869.70	4,508.53
A D M P L	-	-	9.86	-	9.86	-
Dr Ram Shroff	-	-	845.51	45.39	845.51	45.39
Sub Total	**2,797.62**	**1,767.48**	**10,725.07**	**4,553.93**	**13,522.69**	**6,321.41**
Deposit Received Back:						
DML	-	6,612.00	-	-	-	6,612.00
Sub Total	-	**6,612.00**	-	-	-	**6,612.00**
Corporate Guarantee/Security Given						
M M G – I	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
Corporate Guarantee/Security Reversal:						
M M G – I	22,430.00	1,770.00	-	-	22,430.00	1,770.00
Sub Total	**22,430.00**	**1,770.00**	-	-	**22,430.00**	**1,770.00**
Purachse of Material						
DML	1,613.92	-	-	-	1,613.92	-
Sub Total	**1,613.92**	-	-	-	**1,613.92**	-
Rent Expenses						
DML	1,154.45	-	-	-	1,154.45	-
Sub Total	**1,154.45**	-	-	-	**1,154.45**	-

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(Rs in '00

Particulars	Holding Company and Companies Under Common Control			KMP or Enterprises over which Individuals mention in (iii) and (iv) or their relatives exercise significant influence/control directly or indirectly			Total		
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.201(
Outstanding as at 31st March									
Loan Payable									
DML	44,341.25	26,235.25	14,370.00	-	-	-	44,341.25	26,235.25	14,370.0
A A M P L	-	-	-	132,900.00	74,100.00	31,200.00	132,900.00	71,400.00	31,200.0
A D M P L	-	-	-	8,000.00	-	-	8,000.00	-	-
R S	-	-	-	9,600.00	6,600.00	-	9,600.00	6,600.00	-
Sub Total	**44,341.25**	**26,235.25**	**14,370.00**	**150,500.00**	**80,700.00**	**31,200.00**	**194,841.25**	**104,235.25**	**45,570.0**
Advance Received from Customer:									
Magdev Ltd	21,336.91	15,707.31	26,328.67	-	-	-	21,336.91	15,707.31	26,328.6
Sub Total	**21,336.91**	**15,707.31**	**26,328.67**	-	-	-	**21,336.91**	**15,707.31**	**26,328.6**
Other Payable									
DML	-	30.27	3,382.22	-	-	-	-	30.27	3,382.2
Sub Total	-	**30.27**	**3,382.22**	-	-	-	-	**30.27**	**3,382.2**
Trade Payables									
DML	404.89	-	5,967.82	-	-	-	404.89	-	5,967.8
Sub Total	**404.89**	-	**5,967.82**	-	-	-	**404.89**	-	**5,967.8**
Trade Receivables									
DML	-	341.33	-	-	-	-	-	341.33	-
Sub Total	-	**341.33**	-	-	-	-	-	**341.33**	-
Interest Payable									
A A M P L	-	-	-	14,593.74	5,711.01	1,653.33	14,593.74	5,711.01	1,653.3
A D M P L	-	-	-	8.88	-	-	8.88	-	-
DML	5,180.12	2,662.26	1,071.53	-	-	-	5,180.12	2,662.26	1,071.5
R S	-	-	-	801.81	40.85	-	801.81	40.85	-
Sub Total	**5,180.12**	**2,662.26**	**1,071.53**	**15,404.42**	**5,751.86**	**1,653.33**	**20,584.54**	**8,414.12**	**2,724.8**
Corporate Guarantee/Security Taken									
DML	166,600.00	189,030.00	190,800.00	-	-	-	166,600.00	189,030.00	190,800.0
Sub Total	**166,600.00**	**189,030.00**	**190,800.00**	-	-	-	**166,600.00**	**189,030.00**	**190,800.0**
Deposit									
DML	-	-	6,612.00	-	-	-	-	-	6,612.0
Sub Total	-	-	**6,612.00**	-	-	-	-	-	**6,612.0**

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37 CREDIT RISK

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Trade Receivables:

a) The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

(Rs in '000)

Particulars	0-180	More than 180 Days	Total
As at 31 March 2018	77,214.11	10,536.47	87,750.58
As at 31 March 2017	52,039.06	4,952.55	56,991.61
As at 1 April 2016	48,291.28	2,642.12	50,933.40

b) Movement in provisions of doubtful debts

(Rs in '000)

Particulars	2017-18	2016-17
Opening provision	61.55	1,192.13
Add:- Additional provision made	945.96	61.55
Less:- Amount write off	-	(1,192.13)
Less:- Provision reversed	-	-
Closing provisions	1,007.50	61.55

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38 Capital Risk Management

a) The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 17, 21 and 23 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(Rs in '000)

The capital components of the Company are as given below:	March 31, 2018	March 31, 2017	April 1, 2016
Total Equity	(62,525.96)	(9,516.35)	31,369.98
Current Borrowings	234,790.24	184,647.72	132,502.55
Non Current Borrowings	64,504.98	58,216.34	72,362.49
Current Maturities of Non Current Borrowings	32,370.18	13,592.60	9,115.79
Total Debt	331,665.40	256,456.66	213,980.83
Cash and Cash Equivalents	1,378.50	379.41	943.38
Other Bank Balances	2,234.97	12,738.49	14,474.12
Net Debt	328,051.93	243,338.77	198,563.33
Debt Equity Ratio	(5.25)	(25.57)	6.33

39 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(Rs in '000)

Maturities of Financial Liabilities	March 31, 2018		
	Upto 1 year	1 to 5 years	5 years & above
Borrowings	267,160.42	64,504.98	-
Trade Payables	37,399.85	-	-
Other Financial Liabilities	27,536.06	-	-
	332,096.33	**64,504.98**	-

(Rs in '000)

Maturities of Financial Liabilities	March 31, 2017		
	Upto 1 year	1 to 5 years	5 years & above
Borrowings	198,240.32	58,216.34	-
Trade Payables	33,914.53	-	-
Other Financial Liabilities	17,695.82	-	-
	249,850.67	**58,216.34**	-

(Rs in '000)

Maturities of Financial Liabilities	April 1, 2016		
	Upto 1 year	1 to 5 years	5 years & above
Borrowings	141,618.34	72,362.49	-
Trade Payables	28,082.80	-	-
Other Financial Liabilities	9,872.27	-	-
	179,573.41	**72,362.49**	-

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40 **Interest Rate Risk & Sensitivity Analysis**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and 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 and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's Profit for the year would decrease/increase by amount as stated below.

(Rs in '000)

Particulars	Financial Liabilities	Change in Interest rate	Impact on Profit or Loss before tax for the year	
			Increase by 1%	decrease by 1%
As at 31 March 2018	331,665.40	1%	(3,316.65)	3,316.65
As at 31 March 2017	256,456.66	1%	(2,564.57)	2,564.57
As at 1 April 2016	213,980.83	1%	(2,139.81)	2,139.81

OTHER PRICE RISKS

The Company is not significantly exposed to equity price risks / other price risks.

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41 UNHEDGED FOREIGN CURRENCY (FC) EXPOSURE

The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year end are given below:

(Rs in '000)

Particulars	Currency Name	March 31, 2018		March 31, 2017		April 1, 2016	
		In Foreign Currency	(Rs in '000)	In Foreign Currency	(Rs in '000)	In Foreign Currency	(Rs in '000)
Trade Receivables							
- Hedged by derivative or otherwise		-	-	-	-	-	-
- Not Hedged	USD	32,972.21	2,144.65	17,599.65	1,141.14	51,454.83	3,413.15
- Not Hedged	GBP	17,199.16	1,587.22	70,150.37	5,673.74	13,442.92	1,278.26
- Not Hedged	EURO	5,103.41	411.45	2,041.36	141.36	-	-
Total Assets		55,274.78	4,143.31	89,791.39	6,956.24	64,897.74	4,691.41
Trade Payables							
- Hedged by derivative or otherwise		-	-	-	-	-	-
- Not Hedged	USD	164,095.00	10,673.41	128,660.72	8,342.18	68,640.00	4,553.09
Foreign Currency Loan Payable							
- Hedged by derivative or otherwise		-	-	-	-	-	-
- Not Hedged	USD	-	-	763,016.00	49,472.89	1,055,083.60	69,986.75
Total Liabilities		164,095.00	10,673.41	891,676.72	57,815.07	1,123,723.60	74,539.85

Of the above, the Company is mainly exposed to USD. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against INR.

(Rs. in '000)

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit for the year before tax
USD	Increase by 5%	55,274.78	164,095.00	2,763.74	(8,204.75)
USD	Decrease by 5%	55,274.78	164,095.00	(2,763.74)	8,204.75

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

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42 Tax Expenses

(Rs in '000)

a) **Amount Recognised in the Statement of Profit or Loss**	**March 31, 2018**	**March 31, 2017**
Income tax		
In respect of the current year - MAT	-	-
Adjustments for Current Tax of Prior Periods	-	-
In respect of prior years	-	-
	-	-
Deferred tax		
In respect of Current year	2,973.89	248.83
In respect of MAT Credit Entitlement	-	-
Total income tax expense for the year	**2,973.89**	**248.83**

b) **Amount recognised in other comprehensive income**		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(58.54)	139.07
Total income tax recognised in other comprehensive income	**(58.54)**	**139.07**

c) **The income tax expense for the year can be reconciled to the accounting profit as follows:**

(Rs in '000)

Particulars	March 31, 2018	March 31, 2017
Profit before tax after Exceptional Items	(50,202.33)	(40,326.51)
Applicable Tax Rate	26.00%	30.90%
Income Tax Expense Calculated at Applicable Tax Rate	(13,052.61)	(12,460.89)
Effect of not recognition of deferred tax asset on accumulated tax losses	13,052.61	12,460.89
Current Tax Provision (A)	-	-
Incremental Deferred Tax Liability on Account of Tangible and Intangible Assets	(3,032.43)	(109.76)
Deferred Tax on account of Remeasurment of Defined Benefit Obligation	58.54	(139.07)
MAT Credit Entitlement	-	
Deferred Tax Provision (B)	(2,973.89)	(248.83)
Tax Expenses Recognised in Statement of Profit and Loss (A+B)	(2,973.89)	(248.83)
Effective Tax Rate	5.92	0.62

d) **Deferred tax balances**

(Rs in '000)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred Tax Assets (Net)	17,978.94	17,978.94	17,978.94
MAT Credit Entitlement	2,868.00	2,868.00	2,868.00
Deferred Tax Liabilities (Net)	18,062.00	15,029.58	14,919.81
	2,784.94	**5,817.36**	**5,927.13**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

AMIT DESAI & CO.
MUMBAI
Chartered Accountants

e) **Movement of tax expense during the year 2017-18**

(Rs in '000)

Particulars	Opening Balance	Recognised in Statement of Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Expenses Deductible on Payment Basis	296.65	58.54	(58.54)	296.65
Unabsorbed Business Losses and Unabsorbed Depreciation	17,978.94	-	-	17,978.94
Property, Plant and Equipments	(15,029.58)	(3,032.43)	-	(18,062.00)
Minimum Alternate Taxes	2,868.00	-	-	2,868.00
Total	**6,114.02**	**(2,973.89)**	**(58.54)**	**3,081.59**

f) **Movement of tax expense during the year 2016-17**

(Rs in '000)

Particulars	Opening Balance	Recognised in Statement of Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Expenses Deductible on Payment Basis	296.65	(139.07)	139.07	296.65
Unabsorbed Business Losses and Unabsorbed Depreciation	17,978.94	-	-	17,978.94
Property, Plant and Equipments	(14,919.81)	(109.76)	-	(15,029.58)
Minimum Alternate Taxes	2,868.00		-	2,868.00
Total	**6,223.78**	**(248.83)**	**139.07**	**6,114.02**

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34 **EARNINGS PER SHARES (EPS)**

Earnings Per Share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars	2017-18	2016-17
Profit After Tax (Rs. in '000)	(53,176.22)	(40,575.34)
Weighted Average Number of Equity Shares used as Denominator for Calculating Basic Earnings per share (nos.)	13,865,870	13,865,870
Earnings Per Share - Basic (Rs.)	(3.84)	(2.93)

35 **SEGMENT REPORTING**

In accordance with Ind AS 108 'Operating Segment ', segment information has been given in the consolidated financial statements and therefore, no separate disclosure on segment information is given in these financial statements.

36 **MAT Credit Entitlement**

MAT Credit Entitlement of Rs.2,868.00 ('000) [Previous Year Rs.2,868.00 ('000)] is based on business projections of Company provided by Management, and the same have been relied upon by the Auditors.

AMIT DESAI & CO. MUMBAI Chartered Accountants

43 Fair Value Disclosures

a)

(Rs in '000)

Categories of Financial Instruments:	March 31, 2018			March 31, 2017			April 1, 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Investments	-	-	156,055.46	-	-	156,055.46	-	-	156,055.46
Other Financial Assets - Non Current	-	-	4,503.17	-	-	6,064.97	-	-	5,442.67
Trade Receivables	-	-	53,964.72	-	-	52,473.01	-	-	56,105.91
Cash and Cash Equivalents	-	-	329.49	-	-	233.54	-	-	983.50
Other Bank Balances	-	-	1,787.74	-	-	270.26	-	-	160.57
Loans	-	-	44,620.75	-	-	26,582.54	-	-	14,699.00
Other Financial Assets - Current	-	-	6,056.14	-	-	3,246.11	-	-	4,923.92
	-	-	**267,317.48**	-	-	**244,925.90**	-	-	**238,371.03**
Financial Liabilities									
Borrowings - Non Current	-	-	62,493.13	-	-	54,746.50	-	-	48,560.14
Other Financial Liabilities - Non Current	-	-	-	-	-	-	-	-	5,579.53
Borrowings - Current	-	-	55,582.93	-	-	41,112.13	-	-	34,026.69
Trade Payables	-	-	41,114.10	-	-	38,156.10	-	-	27,702.23
Other Financial Liabilities - Current	-	-	8,347.87	-	-	7,795.67	-	-	7,171.82
	-	-	**167,538.03**	-	-	**141,810.41**	-	-	**123,040.42**

b) **Fair Value Hierarchy and Method of Valuation**

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of other financials assets and financial liabilities are approximate to their carrying values.

AMIT DESAI & CO.
MUMBAI
Chartered Accountants

44 FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared the its opening balance sheet as per Ind AS as at April 01, 2016 ("transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

In preparing these financial statements, the Company has availed optional exemptions and mandatory exceptions in accordance with Ind AS 101 as explained below:

(a) Past Business Combinations

The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date.

(b) Deemed Cost for Property, Plant and Equipment and Intangible Assets

While measuring the property, plant and equipment in accordance with Ind AS, the Company has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at its fair value and used that fair value as its deemed cost at transition date. The Company has elected to continue with the carrying value of all of its intangible assets recognised as at transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(c) Estimates

The Company's estimates in accordance with Ind ASs at the transition date are in consistent with estimates made for the same date in accordance with previous GAAP after adjustments to reflect any difference in accounting policies.

(d) Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017.

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017.

III. Adjustments to Statement of Cash Flows for the Year Ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

I. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017.

Rs. In '000

Particulars		Notes	31-Mar-17	01-Apr-16
Equity as per Previous GAAP	(A)		(13,105.01)	21,922.57
Nature of Adjustments:				
Deemed Equity Contribution and Income on Financial Guarantee Given by Holding Company		B	8,600.39	11,301.89
Other Ind AS Adjustments		C	(5,265.42)	(2,108.17)
Tax Impact of the Above Adjustments		D	253.69	253.69
Total effect of transition to Ind AS	(B)		**3,588.66**	**9,447.41**
Equity as per Ind AS	(A)+(B)		**(9,516.35)**	**31,369.98**

AMIT DESAI & CO. MUMBAI Chartered Accountants

MMG INDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017.

Rs. In '000

Particulars	Notes	Year Ended March 31, 2017
Net Profit as per Previous GAAP		**(35,026.20)**
Nature of Adjustments:		
Remeasurement of Defined Benefit Obligation - Recognised in Other Comprehensive Income	A	450.06
Income on financial guarantee contracts issued by the Company	B	(2,701.50)
Other Ind AS Adjustments	C	(3,158.63)
Tax Effects of Above Adjustments		(139.07)
Total effect of transition to Ind AS		(5,549.14)
Net Profit as per Ind AS		(40,575.34)
Other Comprehensive Income (Net of Tax)	D	(310.99)
Total Comprehensive Income /(Loss) as per Ind AS		**(40,886.33)**

III. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2017.

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the Previous GAAP.

Notes

A Under Ind AS, actuarial gains or losses on remeasurement of defined benefit obligation is recognised in other comprehensive income which was recognised in statement of profit and loss under previous GAAP.

B Under Ind AS the financial guarantees given on behalf of loans availed by subsidiaries are measured at fair value on the date on giving the guarantee and subsequently unwound over the period of guarantee given by way of income over the period of guarantee. Under previous GAAP, there was no accounting of financial guarantees given.

C Other adjustments includes reversal of gain/loss on foreign fluctuation of currency, rent expense recognised on Amortisation of security deposit (SD), interest income recognise on account of present value of SD, measurement of borrowing at amortised cost, reversal of depreciation on processing fee capitalised under previous GAAP, gain derecognition on financial assets under Ind AS.

D Under Ind AS, actuarial gains or losses on remeasurement of defined benefit obligation is recognised in other comprehensive income (including its tax effect) which was recognised in statement of profit and loss under previous GAAP.

AMIT DESAI & CO. MUMBAI Chartered Accountants

For and on behalf of the Board of Directors

Dr. Ram H. Shroff
(Director)
DIN: 00004865

Abhilash Sunny
(WTD & CFO)
DIN: 01985382

Mumbai:

18 MAY 2018

Phatak Joshi & Co.
Chartered Accountants
1st Floor, Manojit Apartment, Plot No-7, Abhyudaya Colony,
Near State Bank of India, Gangapur Road, Nashik 422 013.
Tel : 0253 - 2313696 / 0253 - 2579696
email · mailtopjc@gmail.com

Review Report to MagDev Limited
(formerly MMG MagDev Limited)

To the Board of Directors of MagDev Limited,

We have reviewed the accompanying balance sheet of MagDev Limited as at March 31, 2018, and related statement of profit and loss, and the cash flow statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Revised Standard on Review Engagements (SRE) 2400, "Engagements to Review Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited & primarily related to inquiries with the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. We state that,

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of MagDev Limited (UK) as at **March 31, 2018**, the Profit and Loss Account of the Company for the year ended on that date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statements dated **15th May, 2018** originally audited by M/s. MHA Monahans, statutory auditors of the Company from UK & stated in Great Britain Pound ('GBP') currency.

2. The financial statements in Rupee currency ('INR') have been prepared by the Company's Management on the basis stated below and reformatted in accordance with the requirements of the Companies Act, 2013. The said financial statements have been approved by the Board of Directors.

   a. All income and expenses at the average rate of exchange prevailing during the year.

   b. Monetary Assets and Liabilities except share capital & reserves are stated at the closing rate on the Balance Sheet date. Non-monetary items are reported using the exchange rate at the date of the transaction; and.

   c. The resulting exchange difference in the Balance Sheet i s accumulated in 'Currency Translation Reserve'.

3. In relation to the financial statements prepared by the management, the following procedures were performed by us:

   a. Reviewing the translation of the audited financial statements from GBP into INR on the basis stated in the foregoing paragraph and

   b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 2013.

4. We report that the financial statements as audited in GBP by the statutory auditors, have been translated by the management of the company in INR on the basis stated in paragraph 2 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 2013.

5. The above procedures provide less assurance since it does not constitute an audit and accordingly, we do not express any opinion on the financial statements.

6. Nothing has come to our attention based on the review that causes us to believe that the Financial Statements do not give a true and fair view or are not presented fairly, in material respects, in accordance with the applicable Financial Reporting framework.

7. This report is issued solely for the purpose of consolidation by the holding company, Delta Magnets Limited and to comply with the provisions of the Companies Act, 2013.

8. The accounts have been prepared in accordance with significant accounting Policies & compliance of Accounting Standards issued by the Institute of Chartered Accountants of India.

9. The financial statements are audited by the qualified auditors of United Kingdom (UK). We have only translated, restated & converted the same as per the Indian GAAP on the basis of the inquiries, analytical procedures, information and Management Representation Letter (MRL) received by us from the company. As informed the financial statements have been prepared under historical cost convention & on accrual basis. The accounting policies have been consistently applied by the group unless otherwise stated.

For Phatak Joshi & Co.
Chartered Accountants
FRN – 127813W

sd/-
CA. Vidyasagar J. Joshi
Partner
M.No. 125257

Place: Nasik
Date: 16th May, 2018

MAGDEV LIMITED
Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	IndAS March, 2018	IndAS March, 2017
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	A	6,64,61,455	6,54,08,798
(b) Intangible assets			
(i) Goodwill		1,63,51,657	1,63,51,657
(c) Deferred Tax Asset (net)	B	-	5,79,763
Total Non-current Assets		**8,28,13,112**	**8,23,40,218**
Current Assets			
(a) Inventories	C	4,27,61,691	5,07,74,749
(b) Financial assets			
(i)Trade receivables	D	5,46,91,663	4,91,37,705
(ii) Cash and cash equivalents	E	3,26,66,618	2,11,65,831
(c) Other current assets	F	2,46,21,495	1,82,30,560
Total Current Assets		**15,47,41,468**	**13,93,08,845**
Total Assets		**23,75,54,581**	**22,16,49,062**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	G	5,50,25,610	5,50,25,610
(b) Other Equity	H	10,12,71,732	8,21,39,263
Total Equity		**15,62,97,342**	**13,71,64,873**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(a) Borrowings	I	3,62,55,840	3,45,80,764
(b) Deferred tax liabilities (Net)	B	14,14,364	-
Total Non-current Liabilities		**3,76,70,205**	**3,45,80,764**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables		2,63,18,795	3,28,61,476
(ii) Other financial liabilities	J	77,02,226	68,31,837
(b) Other current liabilities	K	95,66,014	1,02,10,112
Total Current Liabilities		**4,35,87,034**	**4,99,03,425**
Total Liabilities		**8,12,57,239**	**8,44,84,189**
Total Equity and Liabilities		**23,75,54,581**	**22,16,49,062**
Significant Accounting Policies and Notes forming Part of the Accounts	L		

For Phatak Joshi & Co
Chartered Accountants

sd/-

CA. Vidyasagar J. Joshi
M. No. 125257
Partner
Place: Mumbai
Date: 16th May, 2018

PHATAK JOSHI & CO. FRN 127813W CHARTERED ACCOUNTANTS

For MagDev Limited

sd/-
Director

sd/-
Director

MAGDEV LIMITED

Consolidated Statement of Profit and Loss for the period 01.04.2017 to 31.03.2018

Particulars	Note No	IndAS March, 2018	IndAS March, 2017
I. Revenue from operations	1	29,90,24,822	27,41,42,840
II. Other Income	2	2,00,834	3,46,514
III. Total Revenue (I +II)		**29,92,25,656**	**27,44,89,354**
IV. Expenses:			
Purchase of Stock-in-Trade		15,03,61,415	15,93,37,027
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3	80,13,058	(65,69,443)
Employee benefit expense	4	6,51,41,782	6,10,92,190
Financial costs	5	25,95,798	32,48,395
Depreciation and amortization expense	6	26,19,488	29,75,315
Manufacturing and other expenses	7 & 8	4,59,68,189	3,95,06,453
IV. Total Expenses		**27,46,99,729**	**25,95,89,937**
V. Profit before exceptional and extraordinary items and tax	(III - IV)	2,45,25,926	1,48,99,417
IX. Profit before tax (VII - VIII)		**2,45,25,926**	**1,48,99,417**
X. Tax expense:			
(1) Current tax		24,95,765	48,51,523
(2) Deferred tax		19,72,446	3,17,424
XI. Profit(Loss) from the perid from continuing operations	(VII-VIII)	2,00,57,715	97,30,470
XV. Profit/(Loss) for the period (XI + XIV)		**2,00,57,715**	**97,30,470**
Balance brought forward		(13,92,58,001)	(14,90,36,072)
Balance carried forward		(11,92,00,286)	(13,93,05,602)
No. of Shares Outstanding at the end of the period		7,62,500	7,62,500
XVI. Earning per equity share:			
(1) Basic		26.31	12.76
(2) Diluted		26.31	12.76
Significant Accounting Policies and Notes forming Part of the Accounts	L		

For Phatak Joshi & Co
Chartered Accountants
sd/-
CA. Vidyasagar J. Joshi
M. No. 125257 Partner
Place: Mumbai Date:
16th May, 2018

PHATAK JOSHI & CO. CHARTERED ACCOUNTANTS FRN 127813W

For MagDev Limited

sd/-
Director

sd/-
Director

MAGDEV LIMITED

Consolidated Cash Flow Statement as on 31st March 2018

Sr. no.	Particulars	As at 31st Mar, 2018		As at 31st Mar, 2017	
A	Cash flow from operating Activities				
	Net Profit from operations before tax	2,45,56,573		1,49,58,916	
	Depreciation for the year	26,19,488		29,75,315	
	Current Tax	(24,95,765)		(48,51,523)	
	Decrease in Deffered tax asset	20,00,256		13,66,918	
	Interest on Borrowings	17,22,132		18,39,531	
	Increase in Stock in hand	80,13,058		(65,69,443)	
	Decrease in Other current liabilities	2,26,291		21,02,840	
	Decrease in Trade receivables	(55,53,959)		19,99,207	
	Decrease in Trade payables	(65,42,682)		(70,67,777)	
	Decrease in Short-term loans and advances	-		1,18,05,412	
		(63,90,935)	1,81,54,457		1,85,59,396
	NET CASH FLOW FROM OPERATING ACTIVITES		1,81,54,457		1,85,59,396
B	Cash flow from Investing Activities				
	Increase in Intangible Assets	-		-	
	Purchase of Fixed Assets	(70,16,760)		(47,55,500)	
	Impairment of Fixed Assets	33,44,615		-	
	Deferred Tax	(19,78,575)		(3,29,324)	
	Goodwill on Consolidation	-	(56,50,720)	(1,63,51,657)	(2,14,36,481)
	NET CASH USED IN INVESTING ACTIVITIES		(56,50,720)		(2,14,36,481)
C	Cash Flow from Financing Activities				
	Net Own Fund				
	Reserves & surplus - Foreign Currency translation reserve	(10,38,305)		(13,95,570)	
	Repayment of Long term Loans	17,57,490		(94,43,380)	
	Interest on Borrowings	(17,22,132)		(18,39,531)	
	Short term Loans	-	(10,02,948)	-	(1,26,78,481)
	NET CASH USED IN FINANCING ACTIVITES		(10,02,948)		(1,26,78,481)
	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)		1,15,00,789		(1,55,55,566)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		2,11,65,831		3,67,21,395
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE		3,26,66,618		2,11,65,831

NOTE -

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as s Standard - 3 on Cash Flow Statement issued by ICAI. 2 (2)

As per our report of even date For Phatak Joshi & Co
Chartered Accountants

sd/-

CA. Vidyasagar J. Joshi
M. No. 125257
Partner
Place: Mumbai
Date: 16th May, 2018

PHATAK JOSHI & CO. FRN 127813W CHARTERED ACCOUNTANTS

For MagDev Limited

sd/- Director

sd/- Director

MAGDEV LIMITED
Notes to Balance Sheet

		IndAS March, 2018	IndAS March, 2017
A	**Tangible Assets**		
(a)	Land.	2,60,87,396	2,60,87,396
(b)	Buildings.	23,85,926	
	Office building	3,03,07,068	3,08,48,058
(c)	Plant and Equipment.	56,78,939	54,50,185
(d)	Furniture and Fixtures.	3,67,714	3,44,734
(e)	Others (specify nature).		
	Computers	16,34,412	26,78,425
	Total Tangible Assets	**6,64,61,455**	**6,54,08,798**
B	**Deferred tax assets (net)**		
	Deferred tax assets/(liabilities) (net)	(14,14,364)	5,79,763
	Deferred tax assets (net)	**(14,14,364)**	**5,79,763**
C	**Inventories**		
	Stock-in-trade (in respect of goods acquired for trading);	4,32,24,129	5,08,11,145
	Less - Stock reserve on pur from pilamec	(4,62,438)	(36,396)
	Total Inventories	**4,27,61,691**	**5,07,74,749**
D	**Trade Receivables**		
	Over Six Month - Considered Douthfull		
	Unsecured considered doubtful outstansing for period less than six months	1,92,154	2,78,840
	Less: Provision for douthfull debts	(1,92,154)	(2,78,840)
	Others	5,46,91,663	4,91,37,705
	Total Trade Receivables	**5,46,91,663**	**4,91,37,705**
E	**Cash and cash equivalents**		
(a)	Balances with banks;		
	Barclays Bank Account	80,70,647	23,65,971
	Natwestminister bank account	1,20,07,615	1,00,67,480
	Euro Dollar Account	21,99,455	7,54,720
	Barclays Us Dollar Account	9,57,126	27,75,871
	Ledgermaster Invoice Discounting Barclays	93,96,421	50,38,472
(b)	Cash on hand;	35,354	1,63,317
	Cash and cash equivalents	**3,26,66,618**	**2,11,65,831**
F	**Other current assets**		
(a)	Prepaid Expenses (Prepayments)	32,84,612	25,23,253
(b)	Advances to Suppliers (MMG)	2,13,36,883	1,57,07,307
	Total Short-term loans and advances	**2,46,21,495**	**1,82,30,560**

PHATAK JOSHI & CO. FRN 127813W CHARTERED ACCOUNTANTS

MAGDEV LIMITED
Notes to Balance Sheet

			IndAS March, 2018	IndAS March, 2017
G		**Share Capital**		
	(a)	The number and amount of shares authorized;		
		762500 Ordinary Shares of GBP 1/- Each	5,48,81,750	5,48,81,750
		2500 Deferred Shares of GBP 1/- Each	1,43,860	1,43,860
		Total Authorised Capital	**5,50,25,610**	**5,50,25,610**
H		**Reserves and surplus.**		
	(i)	Reserves and Surplus shall be classified as:		
	(a)	Capital Redemption Reserve;		
		Opening Balance	23,62,14,510	23,62,14,510
		Addition/deletion during the year		
		Closing Balance	23,62,14,510	23,62,14,510
	(b)	Foreign Currency Transalation Reserve	(24,72,121)	(15,46,875)
	(ii)	Surplus (debit balance in surplus account).	(14,90,83,675)	(15,88,14,143)
		Add: Profit /(loss) during the year	2,00,57,715	97,30,468
		Closing Balance	(12,90,25,960)	(14,90,83,675)
	(iii)	Transition Reserves		
		Opening Balance		
		(+) Current Period Transfer	(34,44,697)	(34,44,697)
		Closing Balance	(34,44,697)	(34,44,697)
		Total Reserves and surplus.	**10,12,71,732**	**8,21,39,263**
I		**Long term Borrowings**		
	(a)	Term loans		
		from banks.	3,62,55,840	3,45,80,764
		Total Long term Borrowings	**3,62,55,840**	**3,45,80,764**
J		**Other financial liabilities**		
		Other current liabilities	31,69,409	28,59,204
		Current maturities of long term debt	45,32,817	39,72,633
		Total Other financial liabilities	**77,02,226**	**68,31,837**
K		**Other current liabilities**		
	(i)	Other payables (specify nature);		
		Duties & Taxes	95,66,014	1,02,10,112
		Total Other current liabilities	**95,66,014**	**1,02,10,112**

PHATAK JOSHI & CO. CHARTERED ACCOUNTANTS FRN 127813W

MAGDEV LIMITED

Notes to statement of Profit & Loss acoount

			IndAS March, 2018	IndAS March, 2017
1	A.	**Revenue From Operations**		
	(a)	Sale of products;	29,90,24,822	27,41,42,840
	(b)	Sale of services;	-	-
		Total Revenue from operations	**29,90,24,822**	
2		**Other Income**		
	(a)	Interest Income	4,044	2,426
	(b)	Descreption only	1,96,790	3,44,088
		Total Other Income	**2,00,834**	**3,46,514**
3		**Change in Stock of Finished goods and Work in Progress**		
		Stocks At the End		
		Finished Goods	4,27,61,691	5,07,74,749
		Work-in-Progress	-	
			4,27,61,691	5,07,74,749
		Stocks At the Beginning		
		Finished Goods	5,07,74,749	4,42,05,306
		Work-in-Progress	-	
			5,07,74,749	4,42,05,306
		Increase/(Decrease) in Finished Goods and WIP	**(80,13,058)**	**65,69,443**
4		**Employee Benefits Expense**		
		(i) salaries and wages,	5,72,29,644	5,37,17,629
		(ii) contribution to provident and other funds,	51,43,895	48,27,029
		(iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
		(iv) staff welfare expenses	2,41,538	1,99,703
		(v) Employees Pension	25,26,704	23,47,829
		Total Employee Benefits	**6,51,41,782**	**6,10,92,190**
5		**Finance Cost**		
	(a)	Interest expense;	17,52,778	18,39,531
	(b)	Other borrowing Costs;	8,43,019	13,49,363
		Total Fianace Cost	**25,95,798**	**31,88,894**
6		**Depreciation and amortization expense;**		
		Depreciation for the period	26,19,488	29,75,315
		Total Depreciation	**26,19,488**	**29,75,315**

PHATAK JOSHI & CO. * FRN 127813W CHARTERED ACCOUNTANTS *

7 **Selling expenses**

Consumption of Stores, Spares, Consumables, Packing Materials etc.	5,61,769	4,03,586
Power and Fuel	25,86,948	23,56,180
Gas & Water	5,14,006	4,14,287
Rent, Rates, Taxes and Water Charges	59,86,876	51,27,082
Repairs and Maintenance		
- Plant & Machinery	17,08,553	-
- Building	4,92,250	5,62,957
- Others	20,91,697	15,93,425
Quality Control Expenses	7,61,276	1,91,276
Discounts	2,597	6,230
Carraige recovered	(43,06,784)	(39,67,304)
Packaging charges	20,20,095	8,96,995
Carraige outword	43,07,928	36,01,650
Bad Debts	1,73,164	1,31,976
Net Gain/(loss) on Currency fluctuation	2,17,118	12,47,425
Debt collection charges	2,42,668	2,82,187
Total Manufacturing expenses	**1,73,60,163**	**1,28,47,952**

8 **Others Expenses**

Insurance Charges	33,65,220	22,96,757
Travelling Expenses	37,20,021	33,23,944
Forign Travelling Expenses	15,96,057	30,22,821
Vehicle Hire/lease charges	19,56,989	28,50,092
Advertisement & publicity expenses	29,76,837	14,44,173
Telephone expenses	14,60,839	12,67,622
Printing & stationery & xerox	7,34,627	6,73,420
Staff Training Expenses	11,29,191	7,40,976
Staff Recruitment costs	17,30,777	12,31,775
Seminar & Conferences	31,72,221	32,89,206
Computer Expenses	22,83,886	17,49,614
Subscription to Trade association	3,82,674	3,09,073
Postage & Franking Machine charges	2,26,224	2,47,976
Welfare, health & safty expenses	9,83,365	3,90,687
Remuneration to Auditors		
(a) as auditor,	21,58,219	30,99,148
(b) for taxation matters,	-	-
(c) for company law matters,	-	-
Legal & Professional fees	7,24,965	7,21,217
Net loss on Disposal of fixed Assets	5,913	-
Total Others	**2,86,08,027**	**2,66,58,501**
	4,59,68,189	**3,95,06,453**

PHATAK JOSHI & CO. * CHARTERED ACCOUNTANTS * FRN 127813W

MagDev Ltd (Consolidated)

Note ~~6~~ A & 6 : Fixed Assets & Depreciation for the period ended 31/12/2017

Amounts in Rs.

Description	Note	GROSS BLOCK as on 01/04/2017	Additions	Date of Addn/Deln	Disposal	as on 31/03/2018	DEPRECIATION as on 01/04/2017	Reversal on Disposal	for the year	as on 31/03/2018	NET BLOCK as on 31/03/2018	as on 01/04/2017
Freehold building	i & ii	3,45,85,624	-	-	-	3,45,85,624	37,37,566	-	5,40,990	42,78,556	3,03,07,068	3,08,48,058
Freehold land	i & iii	2,60,87,396	-	-		2,60,87,396	-	-	-	-	2,60,87,396	2,60,87,396
Plant, equipment & Vehic	i &ii	2,04,46,669	-	-	-	2,04,46,669	2,04,46,668	-	-	2,04,46,668	1	1
Plant, equipment & Vehic	i &ii	1,49,09,964	28,38,452		37,75,998	1,39,72,417	1,08,50,667	4,72,778	2,04,465	1,05,82,354	33,90,063	40,59,297
Plant, equipment & Vehicle - NEW		-	3,63,506	-	-	3,63,506	-	-	7,673	7,673	3,55,833	-
Furniture & Fittings	i	32,19,889	1,35,182		41,394	33,13,677	28,75,155	-	70,808	29,45,963	3,67,714	3,44,734
Computers	i & ii	57,18,575				57,18,575	57,18,574	-	-	57,18,574	1	1
Computers	i & ii	60,25,967	5,18,784		-	65,44,751	33,47,544	-	15,62,796	49,10,340	16,34,411	26,78,423
Fork Lifts		10,74,581	7,74,910	-	-	18,49,491	95,461	-	1,60,464	2,55,925	15,93,566	9,79,120
Motor Vehicles		4,58,336	-	-	-	4,58,336	46,568	-	72,292	1,18,860	3,39,476	4,11,768
Leasehold property			23,85,926	-		23,85,926	-	-			23,85,926	-
Total		11,25,27,001	70,16,760		38,17,393	11,57,26,368	4,71,18,203	4,72,778	26,19,488	4,92,64,913	6,64,61,455	6,54,08,799
Previous Year		11,10,75,251	24,50,826	-	9,99,076	11,25,27,001	4,51,41,965	9,99,076	29,75,315	4,71,18,203	6,54,08,797	6,59,33,286
		-	-	-	-	-	-	-	-	-	-	-

Note-

i	The Gross block as on 1-1-2010 stated in the balance sheet of MMG Magdev Ltd. has been considered as if it were the Gross block as per the Indian companies Act, 1956. This amount has been considered as base for calculating depreciation as on 31-3-2012. Depreciaton on fixed assets has been provided as prescibed under sch II of Indian Companies act 2013 on SLM basis for single shift.
ii	In absence of information regarding the dates of additions/deletion to fixed assets during the year, we have assumed that all the assets have been acquired/transfered at the beginning of the respective quarters & depreciation is provided accordingly.
iii	To comply with the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, we have depreciated the carring amount of the asset, as on the first day of Act coming into force, with reference to the remaining useful life of that asset from 1-4-2014 over its balance useful life as provided in Schedule II of the Act.

PHATAK JOSHI & CO. * FRN 127813W CHARTERED ACCOUNTANTS