

Mantri Metallics Private Limited

**Standalone Financial Statements
together with the Independent
Auditors' Report for the Year
ended 31 March 2017**

Mantri Metallics Private Limited

Standalone Financial statements together with the Independent Auditors' Report *for the year ended 31 March 2017*

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B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report To the Members of Mantri Metallics Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Mantri Metallics Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the rules made thereunder including, 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.

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 qualified audit opinion.



Mantri Metallics Private Limited

Independent Auditors' Report – 31 March 2017 (continued)

Basis for Qualified Opinion

We draw attention to the following:

1. On 15 November 2016, the Company issued privately placed non-convertible debentures which were listed on the Bombay Stock Exchange ("BSE"). The Company has not complied with the requirements of the Securities and Exchange Board of India ("SEBI") (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("the regulation") in so far as they apply to companies which list non-convertible debt securities as specified in clause 3 of the aforesaid regulations. As per the provisions of the Securities Contracts (Regulation) Act, 1956 (as amended by the Finance Act, 2017), each non-compliance attracts a minimum penalty of one lakh rupees which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees. The total amount of penalty, which may arise, due to the above non-compliances cannot currently be determined and hence no provision has been established in these financial statements.
2. Note 21 to the Standalone Financial Statements which more fully explains that advances given by the Company to its suppliers amounted to Rs. 50,644,291, out of which an amount of Rs. 4,445,916 is, in our view, doubtful and has been provided for by the Company. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the recoverability of the balance amount of Rs. 46,198,375.
3. Note No. 43 (a) to the financial statements which more fully explains the non-appointment of a Company Secretary by the Company as required by section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company has not made a provision for fines and penalties arising due to such non-compliance.
4. The Company has not created a debenture redemption reserve as required under section 71(4) of the Companies Act, 2013 and the rules made thereunder. The Company has not made a provision for fines and penalties which may arise due to such non-compliance.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, 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.



ntri Metallics Private Limited pendent Auditors' Report – 31 March 2017 (continued)

The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

On the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- refer note 31 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note 39 to the standalone financial statements.

For **BSR & Associates LLP**
Chartered Accountants

Firm Registration No: 116231W/ W-100024



Rajnish Desai
Partner

Membership No: 101190

Place: Pune

Date: 28 September 2017

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Mantri Metalics Private Limited

Referred to in paragraph 2(h) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of Mantri Metalics Private Limited on the standalone financial statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We were engaged to audit the internal financial controls over financial reporting of Mantri Metalics Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Mantri Metalics Private Limited-
(continued)**

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W-100024



Rajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 28 September 2017

Mantri Metallics Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2017

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the current year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except stock lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and material discrepancies on physical verification were not material and have been properly dealt with in the books of account. For stock lying with the third parties at the year end, written communications have been obtained by the Company.
- (iii) According to the information and explanations provided to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under Section 189 of the Act.
- (iv) According to the information and explanations provided to us, the Company has not granted any loans, made any investments, or provided any other guarantees or security to which the provisions of section 185 or 186 of the Act apply.
- (v) According to the information and explanations provided to us, the Company has not accepted any deposits in accordance with the provisions of Sections 73 to 76 of the Act and the rules made there under.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 in respect of automotive parts and are of the opinion that prima facie, the prescribed accounts and records have not been made nor maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, duty of customs, duty of excise, Income tax, Service tax, Sales Tax, Value added tax, Employees' State Insurance and other statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities and there have been serious delays in a large number of cases such as delay in Provident Fund ranging from 1 to 669 days, Income tax ranging from 17 – 378 days, Service tax ranging from 26 to 236 days, Value added tax ranging from 41 to 132 days, Sales tax ranging from 40 to 132 days, Employee State Insurance ranging from 37 to 123 days and Profession tax ranging from 1 to 701 days.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Value added tax,



Mantri Metallics Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2017 (continued)

Service tax, Duty of Customs, and any other statutory dues were in arrears as at 31 March 2017, for a period of more than six months from the date they became payable except for certain dues as disclosed hereafter:

Name of the statute	Nature of Dues	Amount (Rs)	Period to which amount relates	Due Date	Date of payment	Amount paid subsequently
Income Tax Act, 1961	Tax deducted at source	420,021	April-August 2016	Various	Various	420,021
Employees provident fund and miscellaneous provisions Act, 1952	Contribution to Provident fund	15,208,442	June 2015 – August 2016	Various	Various	8,652,001
Maharashtra State Tax on Professions, Trades, Calling and Employment Act, 1975	Profession tax	3,163,625	March 2015 – August 2016	Various	Not paid	-

- b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, Duty of Customs and Service tax which have not been deposited on account of any dispute except as disclosed below:

Name of the statute	Nature of Dues	Amount(Rs)	Amount paid under protest	Period	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales tax	2,160,323	660,835	2010-11	Joint Commissioner of sales tax
Maharashtra Value Added Tax Act, 2002	Sales tax	491,009	-	2010-11	Joint Commissioner of sales tax
Maharashtra Value Added Tax Act, 2002	Sales tax	2,346,109	670,000	2011-12	Joint Commissioner of sales tax

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or government or dues to debenture holders as at the balance sheet date.



Mantri Metalics Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2017 (continued)

- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company is a 'private limited company' and has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Since the Company is a private limited company, provisions of section 197 read with schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act.
- (xiii) The Company is a 'private limited company' and therefore the provisions of section 177 of the Act are not applicable to the Company. Further, as per Ministry of Corporate Affairs' Notification No. GSR 464(E) dated 05-06-2015, the provisions of section 188 of the Act shall not apply to a private limited company relating to transactions with the holding company or a subsidiary of the holding company to which it is also a subsidiary. According to the information and explanations given to us, the transactions with related parties other than those exempt under the said notification are in compliance with section 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W/ W-100024



Ranjish Desai

Partner

Membership No: 101190

Place: Pune

Date: 28 September 2017

Mantri Metalics Private Limited

Balance Sheet
as on 31 March 2017

(Currency - Indian Rupees)

	Note	31 March 2017	31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	67,191,790	67,191,790
Reserves and surplus	4	39,887,211	167,088,642
		<u>107,079,001</u>	<u>234,280,432</u>
Non-current liabilities			
Long-term borrowings	5	679,030,185	395,366,555
Deferred tax liabilities (net)	6	-	-
Other long-term liabilities	7	25,806,725	-
Long-term provisions	8	9,934,249	10,542,444
		<u>714,771,159</u>	<u>405,908,999</u>
Current liabilities			
Short-term borrowings	9	550,540,868	504,449,252
Trade payables	10	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		526,546,580	626,871,388
Other current liabilities	11	238,298,440	259,784,761
Short-term provisions	12	12,728,513	12,537,251
		<u>1,328,114,401</u>	<u>1,403,642,652</u>
TOTAL		<u>2,149,964,561</u>	<u>2,043,832,082</u>
ASSETS			
Non-current assets			
Property, plant and equipment	13	685,402,971	768,550,653
Intangible assets	14	3,853,542	5,092,552
Capital work-in-progress		8,018,971	7,517,577
Non-current investments	15	152,400	562,500
Long-term loans and advances	16	89,331,902	99,205,339
Other non-current assets	17	24,364,969	15,949,988
		<u>811,124,755</u>	<u>896,878,609</u>
Current assets			
Inventories	18	407,910,639	400,487,303
Trade receivables	19	438,255,759	320,218,881
Cash and bank balances	20	22,365,798	12,644,729
Short-term loans and advances	21	467,034,477	410,670,353
Other current assets	22	3,273,133	2,932,207
		<u>1,338,839,806</u>	<u>1,146,953,473</u>
		<u>2,149,964,561</u>	<u>2,043,832,082</u>

Summary of significant accounting policies

Notes to the financial statements

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The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
Firm Registration No. 116231W /W-100024


Raajnish Desai
Partner
Membership No.: 101190

Place : Pune
Date : September 28, 2017

For and on behalf of the Board of Directors of
Mantri Metalics Private Limited


Prasad Inghri
Managing Director
DIN No.172582

Place : Kolhapur
Date : September 27, 2017


Purushottam Mantri
Chairman
DIN No.172526

Mantri Metallics Private Limited

Statement of Profit and Loss

for the year ended 31 March 2017

(Currency - Indian Rupees)

	Note	31 March 2017	31 March 2016
Revenue from operations			
Sale of products (gross)	23	2,295,093,159	2,188,631,484
Less : Excise duty		<u>129,368,486</u>	<u>151,719,916</u>
Sale of products (net)		2,165,724,673	2,036,911,568
Sale of services		799,416	449,170
Other operating revenue		50,032,171	50,548,217
Total		<u>2,216,556,260</u>	<u>2,087,908,955</u>
Other income	24	9,009,024	22,384,083
Total revenue		<u>2,225,565,284</u>	<u>2,110,293,038</u>
Expenses			
Cost of material consumed	25. a	945,286,823	913,879,988
Purchases of stock-in-trade	25. b	120,119,389	135,628,303
Changes in inventories of finished goods, traded goods and work-in-progress	25. c	<u>(15,249,865)</u>	<u>(25,282,295)</u>
Employee benefits	26	226,722,461	231,996,560
Other expenses	29	777,750,767	738,696,064
Total expenses		<u>2,054,629,575</u>	<u>1,994,918,620</u>
Earnings before interest, tax, depreciation and amortization (EBITDA)		170,935,709	115,374,418
Finance costs	27	173,785,326	160,696,166
Depreciation and amortization	28	91,903,890	95,229,526
Loss before tax		<u>(94,753,508)</u>	<u>(140,551,274)</u>
Less: Tax expense			
Deferred tax credit	6	-	(28,253,565)
Loss for the year		<u>(94,753,508)</u>	<u>(112,297,709)</u>
Basic loss per equity share (face value of share Rs. 10 each (previous year Rs. 10 each)	38	(25.48)	(30.19)
Diluted loss per equity share (face value of share Rs. 10 each (previous year Rs. 10 each)	38	(25.48)	(30.19)

Summary of significant accounting policies

Notes to the financial statements

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The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W /W-100024


Raajrishi Desai

Partner

Membership No. : 101190

Place : Pune

Date : September 28, 2017

For and on behalf of the Board of Directors of
Mantri Metallics Private Limited


Piyasid Mantri
Managing Director
DIN No.172582

Place : Kolhapur

Date : September 27, 2017


Purushottam Mantri
Chairman
DIN No.172526

Mantri Metallics Private Limited

Cash Flow Statement

for the year ended 31 March 2017

(Currency - Indian Rupees)

	31 March 2017	31 March 2016
A) Cash flows from operating activities		
Net loss before tax	(94,753,508)	(140,551,274)
Non cash adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization	91,903,890	95,229,526
Finance Cost	173,785,326	160,696,166
Interest income	(3,945,346)	(4,093,339)
Provision for other than temporary diminution in investment in subsidiary	510,000	
Provision for doubtful advances	4,221,528	3,679,427
Loss/(Profit) on sale of fixed assets	568,485	(113,678)
	<u>267,043,883</u>	<u>255,398,102</u>
Operating profit before working capital changes	172,290,376	114,846,828
Movements in working capital :		
(Increase)/Decrease in trade receivables	(118,036,879)	70,030,152
(Increase) in inventories	(7,423,336)	(18,720,979)
(Increase)/Decrease in short term loans and advances	(58,786,261)	41,424,183
(Increase)/ Decrease in long term loans and advances	(3,123,527)	11,315,417
Increase/ (Decrease) in long- term provisions	(608,195)	10,542,444
(Decrease)/Increase in trade payables	(100,324,808)	37,858,628
Increase in short term provisions	295,380	646,245
(Decrease)/Increase in other current liabilities	(17,924,386)	65,302,177
	<u>(306,932,011)</u>	<u>218,398,267</u>
Net cash (used in)/ generated from operations	(134,641,636)	333,245,096
Direct taxes paid	(591,674)	(630,059)
Net cash (used in)/ generated operating activities	(135,233,310)	332,615,037
B) Cash flows from investing activities		
Purchase of fixed assets	(11,151,846)	(65,418,795)
Proceeds from sale of fixed assets	3,160,542	2,050,000
Amount matured in fixed deposits	25,233,883	25,751,130
Investment in Equity shares of subsidiary	(99,900)	
Amount deposited in fixed deposits	(25,583,095)	(26,158,882)
Interest received	3,604,420	3,768,466
Net cash used in investing activities	(4,835,996)	(60,008,081)
C) Cash flows from financing activities		
Proceeds from borrowings *	490,268,105	40,000,699
Proceeds from cash credit (net)	(20,845,852)	(2,812,428)
Repayment of borrowings	(141,400,110)	(146,796,796)
Interest paid	(170,165,999)	(162,395,551)
Net cash generated/ (used in) from financing activities	157,856,143	(272,004,076)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	17,786,837	602,880
Cash and cash equivalents at the beginning of the year	3,360,835	2,757,955
Cash and cash equivalents at the end of the year	<u>21,147,672</u>	<u>3,360,835</u>



Mantri Metallics Private Limited

Cash Flow Statement (continued)

for the year ended 31 March 2017

(Currency - Indian Rupees)

	31 March 2017	31 March 2016
Components of cash and cash equivalents		
Cash on hand	294,230	351,887
Balances with banks on current accounts	20,853,442	3,008,948
Balances with banks on fixed deposits (Refer note below)		
Total cash and cash equivalents (also refer note 18)	21,147,672	3,360,835

Note:

Cash and cash equivalents excludes balances in term deposits of Rs. 1,218,126 (2016: Rs. 9,282,894) with maturity period of more than 3 months and remaining maturity less than 12 months (Refer note 20).

Summary of significant accounting policies

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Notes to the financial statements

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The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W /W-100024



Rajnish Desai
Partner
Membership No. : 101190

Place : Pune
Date : September 28, 2017

**For and on behalf of the Board of Directors of
Mantri Metallics Private Limited**



Prasad Mantri
Managing Director
DIN No.172582

Place : Kolhapur
Date : September 27, 2017



Purushottam Mantri
Chairman
DIN No.172526

Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

1. Background

Mantri Metallics Private Limited ("MMPL" or "the Company") was incorporated in 1995. MMPL manufactures cast iron automotive components like Flywheel Assemblies, Brake Drums, Exhaust Manifolds, Housings & Plates. The Company has three manufacturing plants at Shirol, Kagal and Pantnagar.

2. Significant accounting policies

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

2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply in all material respects with the applicable accounting standards notified pursuant to Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting principles and reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

2.3 Current-non-current classification (continued)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

2.4 Revenue recognition

a) Product sales

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of goods are passed onto the customers. Sales are recorded net of sales tax/ value added tax, discounts and rebates.

b) Service income

Revenue from sale of service is recognized based on services rendered and related costs incurred and are billed to clients as per the contractual obligation.

c) Development charges

Revenue from development charges is recognized when tools are developed to the satisfaction of customers and are billed to clients as per the contractual obligation.

d) Export incentives

Export incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

e) Interest income

Interest income is recognised using the time proportion method based on the underlying interest rates.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

2.5 Property, plant and equipment and depreciation

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are charged to the Statement of Profit and Loss.

Management has estimated the useful life of assets as follows;

S. No	Nature of Assets	Useful life of assets (In years)
1	Factory Building	30 years
2	Plant and Machinery (NESD)	20 years
3	Plant and Machinery (Machine Shop)	10 years
4	Plant and Machinery- Foundry (Continuous process plant)	19 years
5	Pattern Tools	9 years
7	Electric installations	20 years
8	Furniture & fixtures	15, 21 years
9	Office equipment	6, 21 years
10	Computers	6 years
11	Motor vehicles	10 years

Acquired assets consisting of leasehold land are recorded at acquisition cost and amortized on straight-line basis based over the lease term.

Additions to fixed assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

Intangible fixed assets

Intangible fixed assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

Intangible fixed assets representing software are recorded at their acquisition price and are amortized on estimated useful life of 6 years, commencing from the date the assets are available for its use. The useful life of the intangible assets is reviewed by the management at each Balance Sheet date.

2.6 Investments

Long-term investments are valued at cost. Provision is made in case of diminution, other than temporary, in the value of long-term investments. Current investments are valued at lower of cost or market value.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other costs necessary to make the sale. Cost is determined on the basis of First-In First-Out (FIFO) basis and includes expenditure in acquiring the inventories and bringing them to the present location and condition. In the case of manufactured inventories, cost includes cost of direct materials and labor and an appropriate share of overheads.

The comparison of cost or net realisable value is made on an item-by-item basis. Finished goods inventory held for sale in the domestic market includes excise duty payable.

Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of finished products will exceed their net realisable value.

2.7.1 Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings

Borrowing costs 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 as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Debt issue costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 52 of the Companies Act, 2013 (previously Section 78 of the Companies Act, 1956).

2.8 Employee benefits

a) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include salaries and wages, bonus and compensated absences. The undiscounted amount of short-term employee services is recognised as an expense as the related service is rendered by employees. Compensated absences are measured based on outstanding leave balances as at the year end.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

b) Post-employment benefits

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Defined contribution plans

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

2.9 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Income tax expense is recognised in the Statement of profit and loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The Company's profit from undertaking situated in Uttaranchal is partially exempt from income tax up to financial year 2018.

Minimum Alternate Tax ('MAT') under the provisions of the Income tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is



Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.10 Foreign exchange transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currency are translated at the year-end exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.11 Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

Contingencies

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

2.12 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but no obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it virtually certain that an inflow of economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.13 Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

As at and for the year ended 31 March 2017

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.14 Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating lease rentals are recognised over the period of the lease in the Statement of Profit and Loss on a straight line basis.

2.15 Earnings per share

The basic earnings / (loss) per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

The diluted earnings/ (loss) per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent potential dilutive equity shares outstanding during the year, except where the result would be anti-dilutive.

2.16 Segment reporting

The Company's operating businesses comprises only one business segment viz. manufacturing of castings. Secondary segmental reporting is identified on the basis of geographical location of customers. The Company has identified domestic sales and export sales as reportable geographical segment.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.18 Measurement of EBITDA

As permitted by Schedule III to the Companies Act, 2013, the Company has elected to present earnings before finance cost, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurements, the Company doesn't include depreciation and amortization expense, finance cost and tax expense.



	31 March 2017	31 March 2016
3. Share capital		
Authorised		
10,000,000 (2016: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
2,000,000 (2016: 2,000,000) preference shares of Rs. 100 each	200,000,000	200,000,000
	<u>300,000,000</u>	<u>300,000,000</u>

Issued, subscribed and paid up

3,718,179 (2016: 3,718,179) equity shares of Rs. 10 each

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	37,181,790	37,181,790
	<u>30,000,000</u>	<u>30,000,000</u>
	<u>67,181,790</u>	<u>67,181,790</u>

3.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2017		31 March 2016	
	Numbers	Amount	Numbers	Amount
Equity Shares				
At the beginning and at the end of the year	3,718,179	37,181,790	3,718,179	37,181,790
4% Redeemable Preference Shares				
At the beginning and at the end of the year	300,000	3,000,000	300,000	3,000,000

3.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled receive dividend as declared from time to time after dividend, if any, to preference shareholders. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportions of the number of equity shares held.

3.3 Rights, preferences and restrictions attached to preference shares

4% redeemable preference shares of Rs. 100 each were privately placed with Sarla Mantri on 28 October 2014 at par. These shares will be redeemed on expiry of 12 years from the date of issue. Preference shares carry a preferential right as to dividend over equity shareholders, in the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

3.4 Particulars of shareholders holding more than 5% shares of each class of shares in the Company

	31 March 2017		31 March 2016	
	Nos	% of total shares	Nos	% of total shares
Equity shares of Rs. 10 each fully paid up held by				
Mantri Purushottam Karanajid	1,515,077	40.8%	1,515,077	40.8%
Mantri Sarla Purushottam	195,000	5.4%	195,000	5.4%
Mantri Prasad Purushottam	498,710	13.4%	498,710	13.4%
Mantri Shruti Prasad	203,090	5.5%	203,090	5.5%
ITS India Private Equity Fund Limited	1,227,529	33.0%	1,227,529	33.0%
4% redeemable preference shares of Rs. 100 each held by				
Mantri Sarla Purushottam	300,000	100%	300,000	100%

3.5 Other disclosure mandated by the Schedule IV are not relevant for the company and hence have not been made.



	31 March 2017	31 March 2016
4. Reserves and surplus		
Securities premium account		
At the commencement and at the end of the year	187,726,720	187,726,720
Less: Premium on redemption of debentures	(21,813,540)	-
Less: Expenses on issue of debentures	(9,134,982)	-
	<u>156,778,198</u>	<u>187,726,720</u>
Surplus/(Deficit) in the Statement of Profit and Loss		
At the commencement of the year	(20,638,069)	91,659,639
Add: Net loss after tax transferred from Statement of Profit and Loss	(94,753,508)	(112,297,799)
Net (deficit) in the Statement of Profit and Loss	<u>(115,391,577)</u>	<u>(20,638,069)</u>
	<u>39,887,111</u>	<u>167,088,641</u>
5. Long-term borrowings		
Secured:		
Debentures (450 debentures of Rs. 1,000,000 each) (a)	461,563,430	-
Term loan from banks	4,298,580	67,362,340
Term loan from financial institutions	171,903,723	255,800,924
Vehicle loan from banks	456,538	704,724
Unsecured:		
Defined sales tax term loan (Also refer note 42)	6,948,800	8,886,650
Loans from Directors and shareholders	31,838,734	34,543,766
Loans from financial institutions	-	27,528,149
	<u>679,039,185</u>	<u>395,366,555</u>

Includes interest amounting to Rs. 1,156,3410 accrued from date of allotment till the expiry of 3 months from the date of allotment, constituting part of the principal amount.

a) Nature of security and terms of repayment for Debentures

The company has issued following secured redeemable non-convertible debentures:

- The debentures are redeemable over a period of 60 months (a moratorium period of 24 months for principal with repayment starting from 25th month) and carry a coupon rate of 10% for the first year, 12% for the second and 14% for years 3-5.
- The moratorium period of payment of interest is 3 months. The interest accrued during moratorium period is to be considered an addition to the principal amount.
- The debentures are redeemable at a premium as follows:
 - First maturity premium: To be paid in 6 pre-determined time intervals starting from 39th month and totaling to Rs. 21.50 crore. The total amount is subject to change depending upon the actual dates of payment of principal, interest and first security premium such that the holders realize an IRR of 22% on the arrangement.
 - Second maturity premium: This component is payable on or before final maturity on the basis of incremental EBITDA.

These debentures are secured by:

- All movable & immovable assets of the Company including inter alia land, building, plant & machinery (located at Shirni, Kagal in Kolhapur and Part Nagar in Uttarkand).
- All movable & immovable assets of Mamtr Auto cast (MAC), a proprietary firm owned by Mrs. Surfa Mamtr, including inter-alia land, building, plant & machinery located at Shirni, Kolhapur
- Residential bungalow ad measuring 3,000 sq. ft. located at Unit no. 90, Engage Estate Colony at village Mandana, Indore, Madhya Pradesh owned by Mr. Ashok Mohata
- Garage no. 25, ground floor, Chandra Bhawan Co-operative housing society limited, 37, Napaeena Road, Mumbai 400006.
- Commercial undertaking ad measuring 400 sq. ft. located at Shop No. 25, Chandrak A Building, 97, Napean Sea Road, Mumbai. 400 006 owned by Mr. Ashok Mohata
- Residential bungalow along with leasehold right in Plot No. 139-156-RSC-MHADA Layout, Survey no. 120 S V P Nagar, Versova, Andheri (w) Mumbai -400 053 measuring 395.12 sq. mtrs.
- Residential flat ad measuring 1,000 sq. ft. located at 8402, Dev Prestige, Veera Desai Road, Andheri West, Mumbai 400 058 owned by Mr. Sunnet Maheshwar
- Pledge over promotor shares.
- Pledge over shares of Mamtr Auto Components Private Limited.
- Personal Guarantees of the directors.

Maturity Profile and Rate of Interest of Non-Convertible Debentures are as set out below:

Rate of Interest	2021-22	2020-21	2019-20	2018-19	TOTAL
10-18%	101,064,960	173,039,256	139,392,734	48,066,460	461,563,410



h) Nature of security and terms of repayment for secured borrowings (other than debentures).

Nature of Security	Terms of Repayment
<p>g) Term loans from banks amounting to Rs. 62,574,953 are pari passu secured as follows-</p> <p>i) Charge on all current assets of the Company.</p> <p>ii) Charge on Land, Building, Plant and equipments, movable assets and fixtures of the Company situated at Kagal, Shirol and second charge on Land and Building, Plant and equipments and other fixed assets of the Company situated at Parbhagar (excluding machinery acquired from Tata Capital Limited & Electronics Finance Limited).</p> <p>c) Residential property owned by the Managing Director and his relative.</p> <p>d) Personal guarantees of Managing Director, Executive Director and their relatives.</p> <p>e) Pledge of promoter shares.</p>	<p>Repayable in 76 monthly instalment after a moratorium period of 10 months starting from October 2011 and ending in May 2016. Interest is payable at 7.35 %-MCLR Rate.</p>
<p>ii) Term loans amounting to Rs. 235,760,693 are secured as follows -</p> <p>i) Charge on all current assets of the Company.</p> <p>ii) Charge on Land, Building, Plant and equipments, movable assets and fixtures of the Company situated at Kagal, Shirol and second charge on Land and Building, Plant and equipments and other fixed assets of the Company situated at Parbhagar (excluding machinery acquired from Tata Capital Limited).</p> <p>c) Residential property owned by the Managing Director and their relative.</p> <p>d) Personal guarantees of Managing Director, Executive Director and their relatives.</p> <p>e) Pledge of promoter shares.</p>	<p>Term loans from financial institutions repayable in 60 monthly instalment after a moratorium period of 9 months starting from March 2015 and ending in February 2018. Interest is payable at 15%.</p>
<p>iii) Term loan amounting to Rs. 19,030,337 are secured against Machinery purchased at Shirol unit.</p> <p>ii) Personal guarantees of Managing Director, Executive Director and their relatives.</p>	<p>Term loans from financial institutions are repayable in 60 monthly instalment starting from May 2015 and ending in April 2020. Interest is payable at 14%.</p>
<p>iv) Term loan amounting to Rs. 2,576,694 are secured against Machinery purchased at Shirol unit.</p>	<p>Term loans from financial institutions are repayable in 48 monthly instalment starting from September 2015 and ending in August 2020. Interest is payable at 14.07%.</p>
<p>v) Term loans amounting to Rs. 2,542,341 are secured against Machinery purchased at Shirol unit.</p>	<p>Term loans from financial institutions repayable in 60 monthly instalment starting from September 5 2015 and last instalment due in August 5 2020. Interest is payable at 14%.</p>
<p>vi) Vehicle loan amounting to Rs.80,796 is secured against vehicle.</p>	<p>Vehicle loan repayable in 60 monthly instalment from January 2015 and ending in December 2017. Interest is payable at 13%.</p>
<p>vii) Vehicle loan amounting to Rs 320,257 is secured against vehicle.</p>	<p>Vehicle loan repayable in 21 monthly instalment from January 2014 and ending in November 2019. Interest is payable at 9.85%.</p>
<p>viii) Vehicle loan amounting to Rs 321,567 is secured against vehicle.</p>	<p>Vehicle loan repayable in 32 monthly instalment from January 2014 and ending in November 2019. Interest is payable at 9.85%.</p>

i) Aggregated amount of loans guaranteed by directors and others.

Term Loan	6,257,264
Financial Institution	235,760,693
Debentures	461,563,430

j) Terms of repayment for unsecured borrowings

Borrowings	Terms of Repayment
Loans from Directors and Shareholders amounting to Rs. 93,838,734.	Repayable on demand after one year from Balance Sheet date.
Deferred Sales tax loan	Repayable in 156 instalment started from April 1, 2008 to April 1, 2021.



Notes to the financial statements (continued)

as at 31 March 2017

(Currency - Indian Rupees)

6. Deferred tax liabilities (net)

	31 March 2017	31 March 2016
Deferred tax liability (A)		
Tax assets: Impact of difference between tax depreciation and depreciation / amortisation charged in the financial statements	85,510,803	85,133,999
	<u>85,510,803</u>	<u>85,133,999</u>
Deferred tax asset:		
Arising out of timing differences in		
- Carry forward of business loss and unabsorbed depreciation	58,624,557	68,278,739
- Gratuity and compensated absences	6,452,293	6,474,081
- Doubtful debts under section 43B of Income Tax Act, 1961	33,129,901	9,292,136
- Provision for advances	1,804,452	1,119,073
Deferred tax asset (B)	<u>81,110,803</u>	<u>85,133,999</u>
Deferred tax liabilities (net) (A-B)		

(1) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

(2) Accounting Standard Interpretation (AS) 9 states that where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(3) The Company has recorded cumulative deferred tax liability as on 31 March 2017 aggregating to Rs. 81,110,803 (31 March 2016: Rs. 85,133,999) and recognised deferred tax asset on carried forward business loss and unabsorbed depreciation, to the extent of Rs. 58,624,557 as at 31 March 2017 (31 March 2016: Rs. 68,278,739). Accordingly the carried forward business losses and unabsorbed depreciation for which no deferred tax has been recognised and their potential tax benefits is as follows:

	31 March 2017	31 March 2016
Carried forward business losses	183,906,209	94,118,819
Unabsorbed depreciation	172,087,529	89,553,552
Loss for current year	64,380,867	172,980,187
Total (A)	<u>420,884,225</u>	<u>356,652,558</u>
Potential tax benefits at 30.90% (B) (30-A*30.90%)	130,037,466	110,205,640
Less: Deferred tax asset recognised (C)	18,624,937	68,278,739
Deferred tax asset not recognised on provision (B-C)	71,412,529	41,926,901

7. Other long-term liabilities

	31 March 2017	31 March 2016
Premium on Redemption of Non-Convertible Debentures	23,313,540	
Interest accrued but not due on Non-Convertible debentures	2,493,185	
	<u>25,806,725</u>	

8. Long-term provisions

	31 March 2017	31 March 2016
Provision for employee benefits:		
- Gratuity (Also refer note 36)	9,934,249	10,542,444
	<u>9,934,249</u>	<u>10,542,444</u>

9. Short-term borrowings

	31 March 2017	31 March 2016
Secured:		
Loans repayable on demand from banks	383,712,772	404,563,624
Working capital loans from financial institutions	40,000,000	
Unsecured:		
Factoring arrangement with financial institutions	128,823,096	99,885,628
	<u>552,540,868</u>	<u>504,449,252</u>

(1) Working capital loans from banks representing cash credit and export packing credit facilities which are secured against all current assets of the Company and personal guarantees of Managing Director, Executive Director and their relatives. These are repayable on demand.

(2) Working capital loans from financial institution representing working capital which was secured against all present and future moveable and immovable fixed assets at Uttaranchal unit.

(3) Factoring arrangement with financial institution represents bills discounting facilities carried an interest at 9.75%.

10. Trade payables

	31 March 2017	31 March 2016
Acceptances	118,191,506	118,293,599
Other than acceptances:		
Total outstanding dues of micro enterprises and small enterprises (Also refer note 42)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	426,895,074	508,577,789
	<u>544,986,580</u>	<u>626,871,388</u>

11. Other current liabilities

	31 March 2017	31 March 2016
Current maturities of long-term borrowings:		
- Secured loans	129,674,741	126,016,652
- Unsecured loans	22,517,854	27,909,047
Interest accrued but not due on borrowings	3,972,260	1,446,108
Advances from customers	2,608,183	7,915,829
Statutory dues including provident fund, profession tax, tax deducted at source and Service tax	49,919,003	50,504,059
Employee benefits payables	24,982,378	34,210,373
Payable on account of capital purchases	-	3,015,308
Other payables (Employee credit co-operative society)	6,594,081	8,757,186
	<u>238,296,440</u>	<u>259,794,512</u>

12. Short-term provisions

	31 March 2017	31 March 2016
Provision for employee benefits:		
- Compensated absences	1,012,709	1,793,032
- Gratuity (Also refer note 36)	9,934,249	8,854,546
Other provisions:		
- Income tax (net of advance taxes paid)	1,781,585	1,885,673
	<u>12,728,543</u>	<u>12,533,251</u>



	Freehold Land	Leasehold Land	Buildings	Plant and equipments	Vehicles	Furniture & fixtures	Office equipments	Computers	Total
(Refer Note 2 below)									
Gross block									
Balance as at 1 April 2015	2,448,250	28,937,384	230,466,970	985,131,985	24,694,328	15,747,725	4,209,333	9,228,700	1,000,864,675
Additions	-	-	405,471	48,380,091	264,298	364,794	217,447	551,760	50,183,861
Disposals	-	-	-	1,408,238	2,793,768	-	-	-	4,192,006
Balance as at 31 March 2016	2,448,250	28,937,384	230,872,441	1,032,103,838	22,174,858	16,112,519	4,426,780	9,780,460	1,046,856,330
Balance as at 1 April 2016	2,448,250	28,937,384	230,872,441	1,032,103,838	22,174,858	16,112,519	4,426,780	9,780,460	1,046,856,330
Additions	-	-	893,683	9,104,226	360,613	307,990	88,845	334,867	11,090,225
Disposals	-	-	-	10,742,445	-	-	-	-	10,742,445
Balance as at 31 March 2017	2,448,250	28,937,384	231,766,124	1,030,465,619	22,535,471	16,420,509	4,515,625	10,115,327	1,047,204,310
Accumulated depreciation and amortization									
Balance as at 1 April 2015	-	2,006,274	46,073,047	411,022,740	12,577,733	6,529,327	1,657,683	6,623,837	486,490,641
Depreciation / amortization for the year	-	299,342	7,702,124	81,713,601	2,281,938	918,348	233,421	922,246	94,070,920
Accumulated depreciation on disposals	-	-	-	526,691	1,728,993	-	-	-	2,255,684
Balance as at 31 March 2016	-	2,305,616	53,775,171	492,209,650	13,130,578	7,447,675	1,891,104	7,546,083	578,305,877
Balance as at 1 April 2016	-	2,305,616	53,775,171	492,209,650	13,130,578	7,447,675	1,891,104	7,546,083	578,305,878
Depreciation / amortization for the year	-	292,297	7,694,347	78,435,098	2,086,487	978,614	180,430	841,606	90,508,879
Accumulated depreciation on disposals	-	-	-	7,013,419	-	-	-	-	7,013,419
Balance as at 31 March 2017	-	2,597,913	61,469,518	563,631,329	15,217,065	8,426,289	2,071,534	8,387,689	661,801,338
Net block									
As at 31 March 2016	2,448,250	26,631,768	177,097,271	539,894,188	9,044,280	8,664,844	2,535,676	2,234,377	768,550,653
As at 31 March 2017	2,448,250	26,339,471	170,296,605	466,834,290	7,318,406	7,994,220	2,444,091	1,727,638	685,402,971

NOTE:
1] Vehicles costing Rs. 6,931,892 (2016: 6,931,892) (written down value aggregating to Rs.3,236,744 (2016: Rs. 3,978,585)) are not held in the name of the Company. These vehicles are registered in the names of Directors and their relatives, on behalf of the Company, and are used for the Company's use.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency - Indian Rupees)

14. Intangible assets

	Computer software	Total
Gross block		
Balance as at 1 April 2015	7,196,007	7,196,007
Additions	2,093,316	2,093,316
Disposals	-	-
Balance as at 31 March 2016	9,289,323	9,289,323
Balance as at 1 April 2016	9,291,323	9,291,323
Additions	156,001	156,001
Disposals	-	-
Balance as at 31 March 2017	9,447,324	9,447,324
Accumulated amortization		
Balance as at 1 April 2015	3,040,165	3,040,165
Amortization for the year	1,158,606	1,158,606
Balance as at 31 March 2016	4,198,771	4,198,771
Balance as at 1 April 2016	4,198,771	4,198,771
Amortization for the year	1,251,111	1,251,111
Balance as at 31 March 2017	5,449,882	5,449,882
Net block		
As at 31 March 2016	5,090,552	5,090,552
As at 31 March 2017	3,997,442	3,997,442



Mantri Metalics Private Limited

Notes to the financial statements (continued)
as at 31 March 2017

(Currency - Indian Rupees)

15. Non-current investments
(Long term and unquoted)

	31 March 2017	31 March 2016
Non trade investments		
100 (2016: 100) equity shares of Shamrao Vitthal Co-operative Bank of Rs. 25 each	2,500	2,500
National saving certificate (Refer note below)	50,000	50,000
Trade investments		
9,999 (2016: 9,999) equity shares of subsidiary Mantri Aprotect Powertrain Private Limited of Rs.10 each	510,000	510,000
Less - Provision for other than temporary diminution	(510,000)	-
999 (2016: Nil) equity shares of subsidiary Mantri Auto Components Private Limited of Rs.100 each	99,900	-
	<u>152,400</u>	<u>562,500</u>

Note : This investment is held in the name of the Managing Director

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	662,400	562,500
Aggregate provision for diminution in value of investments	510,000	-

16. Long-term loans and advances
(Unsecured, considered good unless otherwise stated)

To parties other than related parties		
Capital advances	2,473,280	6,084,363
Security deposits (refer note below)	24,546,633	30,635,709
Other loans and advances		
VAT receivable under PSI Scheme 2007.		
Considered good	7,618,039	8,278,874
MAT credit entitlement	51,679,402	51,679,402
Advance taxes paid and tax deducted at source (net of provisions)	3,014,548	2,526,991
	<u>89,331,902</u>	<u>99,205,339</u>

Note:

Security deposits comprises of deposits amounting to Rs.14,157,197 (2016: Rs. 19,848,814) given to financial institutions as security towards loans availed from them. These will be settled at the end of the tenure of the loan facility.

17. Other non current assets
(Unsecured, considered good unless otherwise stated)

Bank Deposits (due to mature after 12 months from the reporting date)	24,364,969	15,949,988
	<u>24,364,969</u>	<u>15,949,988</u>

Note :

Of the above, fixed deposits aggregating to Rs. 24,364,969 (2016: Rs.15,313,816) are under lien towards loans granted by banks guarantees issued by bank.

18. Inventories
(Valued at lower of cost or net realizable value)

Raw materials	31,259,390	41,820,922
Work-in-progress	316,487,635	307,798,577
Finished goods (Refer note below)	22,031,204	15,472,397
Stores, spares & consumables	35,964,017	32,679,146
Packing material	2,166,393	2,716,261
	<u>407,910,639</u>	<u>400,487,303</u>

Note

Includes provision for excise duty Rs.10,56,266 (2016: Rs. 1,852,313).



Mantri Metals Private Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency - Indian Rupees)

19. Trade receivables (Unsecured, considered good unless otherwise stated)	31 March 2017	31 March 2016
Outstanding for a period exceeding six months from the date they are due for payment	5,244,651	9,681,106
Other receivables	433,011,108	310,537,775
	438,255,759	320,218,881

20. Cash and bank balances

Cash and cash equivalents		
Cash on hand	294,230	351,887
Balances with banks on current accounts	19,164,026	3,008,948
	19,458,256	3,360,835
Other bank balances:		
On deposit account with original maturity more than three months and remaining maturity less than twelve months (Refer note (a))	1,218,126	9,283,894
In Escrow account (Refer note (b))	1,689,416	-
	2,907,542	9,283,894
	22,365,798	12,644,729

Note:

a) Of the above, fixed deposits aggregating to Rs. 852,346 (2016: Rs. 9,223,118) are under lien with towards loan granted by bank/bank guarantees issued by bank.

b) Represents balances deposited in an escrow account as per terms of debentures trust deed.

Details of bank balances/deposits

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	19,164,026	3,008,948
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1,218,126	9,283,894
Restricted bank balance in an escrow account	1,689,416	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (Refer note 17)	24,364,969	15,949,588
	46,436,537	28,242,830

21. Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

To related parties

Advances for supply of goods and services (Refer note 37)	285,740,997	234,985,374
Other advances:		
Considered good	165,006	-
Considered doubtful	292,423	292,423
Provision for doubtful advances	(292,423)	(292,423)
	165,006	-

To parties other than related parties

Advances for supply of goods and services:		
Considered good	46,198,375	44,146,573
Considered doubtful	4,445,916	224,388
Provision for doubtful advances	(4,445,916)	(224,388)
	46,198,375	44,146,573
Export benefit receivable	50,610,076	50,207,226
Security deposits	-	1,800,000
Loans and advances to employees	2,762,249	2,537,038
Balance with statutory authorities (includes Cenvat, Service tax, VAT receivables and Custom authority)	61,897,745	66,467,372
Prepaid expenses	7,576,463	2,447,622
Others	12,083,566	8,079,149
Considered doubtful	-	799,391
Provision for doubtful advances	-	(799,391)
	12,083,566	8,079,149
	467,034,477	410,670,353

22. Other current assets

Interest accrued on fixed deposits	2,257,332	1,106,567
Interest accrued on others	1,015,801	1,825,640
	3,273,133	2,932,207



Mantri Metallics Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency - Indian Rupees)

	31 March 2017	31 March 2016
23. Revenue from operations		
Sale of products		
Manufactured goods (Refer note 1 below)	2,174,973,770	2,053,003,181
Traded goods (Refer note 2 below)	120,119,389	135,628,303
Sale of products (gross)	2,295,093,159	2,188,631,484
Less : Excise duty	129,368,486	151,719,916
Sale of products (net)	2,165,724,673	2,036,911,568
Sale of services		
Machining job charges	799,416	449,170
	799,416	449,170
Other operating revenue		
Development charges	5,094,462	1,156,667
Sale of scrap	2,279,683	11,398,981
Export incentives	42,658,026	37,992,569
	50,032,171	50,548,217
24. Other income		
Foreign exchange fluctuation gain (net)	411,733	15,853,300
Interest on fixed deposits and other deposits	3,945,346	4,093,339
Liabilities written back to the extent no longer required	4,651,945	2,323,766
Profit on sale of fixed asset (net)	-	113,678
	9,009,024	22,384,083

Note:

1) Entire sale of manufactured goods consists of castings only.

2) Sale of traded goods represents sale of raw material.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency - Indian Rupees)

25. a. Cost of material consumed

31 March 2017 31 March 2016

Raw material consumed

Opening stock	41,820,922	54,602,800
Add: Purchases during the year	881,802,711	857,344,132
Less: Closing stock	<u>31,259,390</u>	<u>41,820,922</u>
	<u>892,364,243</u>	<u>870,126,010</u>

Packing material consumed

Opening stock	2,716,261	2,050,031
Add: Purchases during the year	52,372,712	44,420,208
Less: Closing stock	<u>2,166,393</u>	<u>2,716,261</u>
	<u>52,922,580</u>	<u>43,753,978</u>

945,286,823 913,879,988

Material consumed comprises:

1. Castings	237,155,902	221,646,988
2. Pig iron	51,895,348	69,751,987
3. M.S.Scrap	41,380,376	41,906,037
4. Ring gears	136,376,714	104,667,244
5. C I Scrap	82,021,403	52,974,629
6. CRCA Scrap	191,557,273	169,971,689
7. C I Boring	26,866,814	75,688,778
8. Others	<u>125,110,413</u>	<u>133,518,657</u>
	<u>892,364,243</u>	<u>870,126,010</u>

Break-up of stock :

1. Pig iron	1,102,464	2,142,834
2. M.S.Scrap	913,701	1,948,141
3. Ring gears	12,797,977	15,963,511
4. C I Scrap	60,563	978,844
5. CRCA Scrap	1,058,490	7,247,411
6. C I Boring	1,470,309	3,150,213
7. Others	<u>13,855,686</u>	<u>10,389,968</u>
	<u>31,259,390</u>	<u>41,820,922</u>

Break-up of purchases :

1. Castings	237,155,902	221,646,988
2. Pig iron	50,854,978	68,532,900
3. M.S.Scrap	40,345,936	34,972,550
4. Ring gears	134,067,703	111,238,924
5. C I Scrap	80,874,693	44,271,393
6. CRCA Scrap	185,228,929	175,516,568
7. C I Boring	25,362,322	71,874,314
8. Others	<u>127,912,248</u>	<u>129,290,494</u>
	<u>881,802,711</u>	<u>857,344,132</u>

25. b. Purchases of stock-in-trade

Castings and M.S.Scrap	120,119,389	135,628,303
	<u>120,119,389</u>	<u>135,628,303</u>

25. c. Changes in inventories of finished goods, traded goods and work-in-progress

Inventories at the end of the year*

Finished goods	22,033,204	15,472,397
Traded goods		
Work-in-progress	<u>316,487,635</u>	<u>307,798,577</u>
	<u>338,520,839</u>	<u>323,270,974</u>

Inventories at the beginning of the year

Finished goods	15,472,397	22,383,998
Traded goods		
Work-in-progress	<u>307,798,577</u>	<u>275,604,681</u>
	<u>323,270,974</u>	<u>297,988,679</u>
	<u>(15,249,865)</u>	<u>(25,282,295)</u>

* Entire closing inventory of finished goods and work-in-progress consists of castings only.



Mantri Metallics Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency - Indian Rupees)

	31 March 2017	31 March 2016
26. Employee benefits		
Salaries, wages and allowances	194,507,945	197,441,034
Contribution to provident fund and other funds (Also refer note 36A)	17,603,033	14,913,514
Gratuity (Also refer note 36B)	2,700,068	10,381,957
Staff welfare expenses	11,911,415	9,260,055
	<u>226,722,461</u>	<u>231,996,560</u>
27. Finance costs		
Interest expense		
On borrowings from banks	64,117,251	67,534,405
On borrowings from others	69,710,234	62,382,190
Other borrowing costs	39,957,841	30,779,571
	<u>173,785,326</u>	<u>160,696,166</u>
28. Depreciation and amortization		
Depreciation of tangible fixed assets	90,508,879	94,070,920
Amortization of intangible fixed assets	1,395,011	1,158,606
	<u>91,903,890</u>	<u>95,229,526</u>
29. Other expenses		
Stores and spares consumed (Refer note below)	188,566,860	187,714,587
Power and fuel	194,059,178	181,117,016
Contract labour	105,837,832	98,884,825
Machining charges	67,321,203	79,717,095
Rent (Refer note 45)	2,040,936	1,333,470
Repairs and maintenance :		
- Buildings	2,129,468	1,752,651
- Plant and machinery	24,352,431	17,790,637
- Others	5,389,369	4,146,103
Insurance	1,522,241	1,546,863
Rates & taxes	22,156,028	12,679,024
Legal & Professional Fees	5,534,446	3,227,704
Travelling and conveyance	3,868,726	2,682,197
Auditor's remuneration :		
- Statutory audit	1,300,000	1,150,000
- Fees for other services	-	44,100
- Out of pocket expenses reimbursed	80,951	74,921
Freight outward	86,051,981	75,923,446
Loss on sale of fixed asset (net)	568,485	-
Provision for doubtful advances	4,221,528	3,679,427
Provision for other than temporary diminution in investment in subsidiary	510,000	-
Miscellaneous expenses	62,199,104	65,231,998
	<u>777,750,767</u>	<u>738,696,064</u>



Mantri Metallics Private Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency - Indian Rupees)

	31 March 2017	31 March 2016
30 Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	541,703
		<u>541,703</u>
31 Contingent liabilities		
Bank guarantees on behalf of Mantri Autocast, proprietary concern of Sarla Mantri, wife of Purushottam Mantri	-	108,000,000
Bank guarantees to vendors and customers	39,944,700	
Sales tax Matters	3,667,006	2,651,331
Bonus Provision*	2,698,190	2,698,190
	<u>46,309,896</u>	<u>113,349,521</u>

* Payment of Bonus Act, 1965 (the Act) was amended on 1st January, 2016 to raise the eligibility limit for bonus from Rs. 10,000 to Rs. 21,000 with retrospective effect from 1 April 2014. However, based on the stay order issued by multiple High Courts on retrospective amendment of the Act, the Company has not made provision for the retrospective amendment of the Act.

	For the year ended	
	31 March 2017	31 March 2016
32 Expenditure in foreign currency (accrual basis)		
Traveling expenses	-	203,042
Sales commission	6,152,101	5,014,184
33 Earnings in foreign currency (accrual basis)		
Export of goods on F.O.B. basis	796,574,260	802,609,965
34 Value of imports on CIF basis		
Raw material	94,660,885	62,002,489
Consumables, stores and spares	12,791,688	5,152,522
Plant and Machinery	-	23,291,211

	For the year ended			
	31 March 2017		31 March 2016	
	%	Rupees	%	Rupees
35 a) Value of imported and indigenous raw material consumed				
Imported	8.9%	94,660,885	5.9%	62,002,489
Indigenous	91.1%	970,745,327	94.1%	987,505,801
	<u>100.0%</u>	<u>1,065,406,212</u>	<u>100.0%</u>	<u>1,049,508,290</u>

	For the year ended			
	31 March 2017		31 March 2016	
	%	Rupees	%	Rupees
35 b) Value of imported and indigenous stores and spares consumed				
Imported	6.8%	12,791,688	2.2%	4,125,336
Indigenous	93.2%	175,775,172	97.8%	183,589,251
	<u>100.0%</u>	<u>188,566,860</u>	<u>100.0%</u>	<u>187,714,587</u>



(Currency - Indian Rupees)

36 Disclosures as per Accounting Standard 15 (Revised) - Employee Benefits

The disclosures as required per the revised AS - 15 (Revised 2005) are as under:

36A Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Fund, which are defined contribution plans. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense for the year towards employer's contribution to Provident Fund and Employee State Insurance Fund aggregated to Rs.14,472,463 (2016: Rs.13,018,861) and Rs.3,083,198 (2016: 523,521) respectively.

36B Defined benefit plans - Gratuity

The Company operates post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

Principal actuarial assumptions

	31 March 2017	31 March 2016
Discount rate	7.50%	8.00%
Rate of increase in compensation levels	6.00%	7.00%
Expected return on plan assets	7.30%	8.31%
Mortality rate		
	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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 factors in the employee market.

Change in the present value of obligation

	31 March 2017	31 March 2016
Present value of obligations at the beginning of the year	28,259,536	20,521,469
Interest cost	2,173,460	1,641,718
Current service cost	4,703,884	4,530,301
Benefits paid	(2,232,540)	(18,000,237)
Actuarial (gain)/loss on obligations	(3,442,447)	5,166,285
Present value of obligations as at the end of the year	29,457,873	28,259,536

Movement in the fair value of plan assets

	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of year	8,858,546	11,512,336
Expected return on plan assets	646,674	946,447
Actuarial gain / (loss) on plan assets	81,156	-
Contribution paid by employer	2,232,540	-
Benefits paid	(2,232,540)	(3,600,237)
Fair value of plan assets at the end of the year	9,586,376	8,858,546

Actuarial loss recognized

	31 March 2017	31 March 2016
Actuarial (gain)/loss for the year - obligation	(3,442,447)	5,166,285
Actuarial gain / (loss) for the year - plan assets	81,156	846,447
Actuarial loss recognized in the year	(3,358,291)	6,112,732

Amount recognized in Balance Sheet

	31 March 2017	31 March 2016
Fair value of plan assets as at the end of the year	9,586,376	8,858,546
Present value of obligations as at the end of the year	29,457,874	28,259,536
Net liability recognized in the Balance Sheet	(19,868,498)	(19,400,990)

Classification into current and non-current

	31 March 2017	31 March 2016
Non-current portion		
Current portion	19,868,498	19,400,990
Net liability recognized in the Balance Sheet	19,868,498	19,400,990

Unfunded liability

	19,868,497	19,400,990
--	------------	------------

Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2017

The plan asset for funded gratuity plan is administered by Life Insurance Corporation of India (LIC) as per investment pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations.



Mantri Metallics Private Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency - Indian Rupees)

Expenses recognized in the Statement of Profit & Loss

	For the year ended	
	31 March 2017	31 March 2016
Current service cost	4,701,884	4,530,301
Interest cost	2,171,460	1,641,718
Expected return on plan assets	(646,674)	(956,347)
Net actuarial (gain)	(3,526,603)	5,166,282
Total expenses recognized in Statement of Profit & Loss	<u>2,700,067</u>	<u>10,381,954</u>

Amounts recognised in current year and previous four years :-

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	294,574,874	28,259,536	20,521,469	21,254,207	15,444,766
Fair value of plan assets	9,589,376	8,858,546	11,512,336	10,562,594	10,053,010
(Surplus) / Deficit in the plan	29,866,498	19,400,990	9,009,133	10,691,613	5,391,756
Experience adjustments arising on plan liabilities	(929,832)	5,166,283	(4,898,573)	189,909	681,115
Experience adjustments arising on plan assets	84,156	36,152	(104,734)	(64,134)	(9,949)



Mantri Metallics Private Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency - Indian Rupees)

37 Related party disclosures

1) Individuals having significant influence being shareholders of the Company and also as Key management personnel.

Purushottam Mantri - Chairman
Prasad Mantri - Managing Director

2) Names of the other related parties over which the Company has control (Subsidiary)

Mantri Aprotech Powertrain Private Limited (Subsidiary)
Mantri Auto Components Private Limited (Subsidiary) wef. 24th August 2016

3) Names of the other related parties with whom transactions were carried out during the year and description of relationship

a Relatives of key management personnel and enterprises / proprietary concerns in which said relatives exercise significant influence:

Shruti Mantri
Sarla Mantri
Pooja Bihani
Purushottam Mantri (HUF)
Prasad Mantri (HUF)
Mantri Autocast, being a proprietary concern of Sarla Mantri, wife of Purushottam Mantri

b Shareholders exercising significant influence

BTS India Private Equity Fund Limited

4) Key management personnel

U K Limaye - Chief Executive Officer

5) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	31 March 2017		31 March 2016	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Sale of goods Mantri Autocast	123,098,587	123,098,587	139,952,729	139,952,729
2	Sale of services Mantri Autocast	18,379	18,379	386,919	386,919
3	Purchase of goods/services Mantri Autocast	398,295,991	398,295,991	353,912,105	353,912,105
4	Sale of fixed assets Mantri Autocast	714,277	714,277	525,000	525,000
5	Expenses incurred: Managerial remuneration (#) Prasad Mantri Purushottam Mantri U K Limaye Salary Shruti Mantri	17,992,221	7,782,394 7,200,000 3,009,827	17,992,221	7,782,394 7,200,000 3,009,827
6	Loan accepted Purushottam Mantri Prasad Mantri	697,530	697,530	2,680,000	2,680,000

Information relating to remuneration does not include provision for gratuity, which is provided on an overall actuarial valuation, as separate amounts are not available for respective KMPs.



Mantri Metalics Private Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency - Indian Rupees)

37 Related party disclosures (continued)

5) Disclosure of related party transactions (continued)

Sr. No.	Nature of transaction / relationship / major parties	31 March 2017		31 March 2016	
		Amount	Amounts for major parties	Amount	Amounts for major parties
7	Loan repaid Purushottam Mantri Prasad Mantri Pooja Bihani	1,305,082	502,500 230,000 405,062	2,654,019	2,654,019
8	Advances Given Shruti Mantri Mantri Auto Components Private Limited	165,006	115,000 50,006	-	-
9	Purchase of shares Mantri Auto Components Private Limited	99,900	99,900	-	-

6) Amount due to/from related parties

Sr. No.	Nature of transaction / relationship / major parties	31 March 2017		31 March 2016	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Unsecured Loan Prasad Mantri Purushottam Mantri	30,751,595	12,687,962 18,063,633	34,543,766	12,220,432 18,566,133
2	Receivables Shruti Mantri Mantri Aprotech Powertrain Private Limited Mantri Auto Components Private Limited	457,429	115,000 292,423 50,006	-	-
3	Advances for supply of goods and services Mantri Autocast	285,740,997	285,740,997	234,985,374	234,985,374
4	Guarantees / collateral Mantri Autocast	-	-	108,000,000	108,000,000

"Major parties" denote entities who account for 10% or more of the aggregate for that category of transaction



Mantri Metallics Private Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency - Indian Rupees)

		31 March 2017	31 March 2016
38 Computation of earnings per share (basic and diluted)			
Net (loss) for the year attributable to equity shareholders	A	(94,753,508)	(112,297,709)
Weighted average number of equity shares of face value of Rs. 10 each outstanding during the year	B	3,719,179	3,719,179
Basic and diluted (loss) per equity share of face value Rs. 10 each (in Rupees)	(A/B)	(25.48)	(30.19)

39 Specified Bank Notes

During the year, the Company had Specified Bank Notes or Other Bank Notes as defined in the MCA notification, G.S.R 308(E) dated March 31, 2017. The denomination wise details of Specified Bank Notes held and transacted during the period from 08 November 2016 to 30 December 2016 are as follows:

Denomination	Specified bank notes		Others	Total
	Rs. 500	Rs. 1,000		
Closing balance as at 8 November 2016	47,500	3,000	1,035,197	1,085,697
Add: Permitted Receipts	-	-	315,895	315,895
Less: Permitted Payments	47,500	3,000	2,184,248	2,234,748
Less: Deposited in Bank Accounts	-	-	-	-
Add: Withdrawal from Bank Accounts	-	-	1,345,000	1,345,000
Closing balance as at 30 December 2016	-	-	511,844	511,844

40 Segment reporting

Primary segment

In accordance with the requirements of Accounting Standard 17, Segment Reporting, the Company has determined its business segment as manufacturing of cast iron automotive components like Flywheel Assemblies, Break Drums, Exhaust Manifolds, Housings & Plates. Accordingly there are no other primary reportable segments.

Secondary segmental reporting is defined on the basis of the geographical location of the customers. The Company has defined India and Rest of the World as the two geographical segments for secondary segmental reporting.

Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognised. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets located in India.

Secondary segments (Geographical segments)

Particulars as on 31 March 2017

	India	Outside India	Total
Revenue from external customers	1,419,982,000	796,574,260	2,216,556,260
Carrying amount of segment assets (only trade receivables)	204,570,824	233,684,936	438,255,759

Particulars as on 31 March 2016

	India	Outside India	Total
Revenue from external customers	1,285,298,990	802,609,965	2,087,908,955
Carrying amount of segment assets (only trade receivables)	118,170,325	202,048,556	320,218,881

41 Compliance with Micro, Small and Medium Enterprises Development Act, 2006

As on the date of reporting, no supplier has intimated the Company about its status as Micro or Small Enterprise or its registration with the appropriate authority under the Micro, Small and Medium Enterprise Development Act, 2006. Accordingly no amounts have been disclosed as payable to such suppliers.

42 The Company has availed interest free sales tax deferral loans as per Special Capital Incentive under Part I of the 1993 Package Scheme of Incentives of Government of Maharashtra which are repayable in five equal installments after ten years from the date prescribed for furnishing the return for the relevant assessment year (i.e. Assessment Year 1977-1998 to 2005-2006).

43 (a) These financial statements have not been authorised by whole-time company secretary as the Company has not appointed a whole-time company secretary under Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

43 (b) On 15 November 2016, the Company issued privately placed non-convertible debentures which have been listed on the Bombay Stock Exchange. The Company has not complied with some of the requirements of the Securities and Exchange Board of India (SEBI) (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("the regulation") in so far as they apply to Companies which list non-convertible debt securities as specified in clause 3 of the aforesaid regulations. The total amount of penalties arising on account of the above non-compliances cannot be determined accurately and hence no provision for the same has been made in these financial statements. The Company has however, sent a communication to the Securities and Exchange Board of India and the Bombay Stock Exchange regarding the applicability of limited review for six months ended March 31, 2017 and sought their views.

44 Foreign currency exposures outstanding at the year end

Unhedged foreign currency exposure at the year end:

Particulars	Currency	Amount in foreign currency		Equivalent amount in Rs.	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Receivables	EURO	466,462	582,814	32,301,366	43,766,719
	USD	3,106,046	2,381,680	201,383,569	157,983,757
Payables	EURO	40,092	89,814	2,776,288.63	6,707,276
	USD	11,340	32,629	735,240.24	2,237,811



Mantri Metallics Private Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency - Indian Rupees)

45 Leases

The Company's warehouse and guest house premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no non cancellable operating leases. Lease rental expenses in respect of operating leases amounting to Rs. 2,040,936 (2016: Rs.1,553,670) have been disclosed in note 26 'Other expenses' as Rent expenses.

46 Prior year figures

Prior year's figures have been regrouped and reclassified, whenever necessary, to conform to the current year's presentation as follows

Particulars	Amount as per audited financial statements as per 31 March 2016	Amount regrouped in the current year	Amount after reclassification	Regrouping Details
Short term provision	23,079,695	(10,542,444)	12,537,251	Grouped in long term Provision Note 7
Long term Provision	-	10,542,444	10,542,444	
Cost of material consumed	1,049,508,291	(195,628,303)	913,879,988	Consumption of traded goods presented separately
Purchases of stock-in-trade	-	195,628,303	195,628,303	

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W/JW-100024


Rajnish Desai
Partner
Membership No. 201190

Place : Pune
Date : 28/09/2017

For and on behalf of the Board of Directors of
Mantri Metallics Private Limited


Prasad Mantri
Managing Director
DIN No.172582

Place : Kolhapur
Date : 27/09/2017


Purushottam Mantri
Chairman
DIN No.172526