

Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of M.D. Overseas Limited

Report on the Financial Statements

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
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New Delhi 110001
India

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1. We have audited the accompanying financial statements of M. D. Overseas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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 Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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.



6. 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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;



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- f. 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. as detailed in Note 30 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

B. P Singh
per B. P Singh
Partner
Membership No.: 70116



Place: New Delhi
Date: May 29, 2015

Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of M.D. Overseas Limited, on the financial statements for the year ended March 31, 2015

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

- (i) (a) The Company is in the process of updating its records for showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



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Annexure to the Independent Auditor's Report of even date to the members of M.D. Overseas Limited, on the financial statements for the year ended March 31, 2015

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Amount paid under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Delhi Sales Tax Act, 1975	Duty on misutilisation of REP License	2,461,245	1,500,000	A.Y. 1996-97	Additional Commissioner of Sales Tax
Delhi Sales Tax Act, 1975	Duty on misutilisation of REP License	1,389,727	1,389,727	A.Y. 1997-98	Commissioner of Sales Tax
The Income Tax Act, 1961	I.T demand for treating certain loss as speculative loss	5,119,080	5,119,080	A.Y. 1999-00	Matter remanded back to CIT(A) by ITAT
Rajasthan Sales Tax Act	Tax paid under Composition scheme	1,000,000	1,000,000	A.Y. 2004-05	Rajasthan Tax Board
Rajasthan Sales Tax Act	Tax paid under Composition scheme	4,421,820	4,421,820	A.Y. 2005-06	Rajasthan Tax Board
Custom Act, 1962	Custom duty demand and penalty thereon	16,717,822	1,500,000	A.Y. 1996-97	Custom Excise and Service Tax Appellate Tribunal
UP Sales Tax Act	Sales Tax	447,676	223,838	A.Y. 2007-08	UP Tax Board

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks during the year. The Company did not have any outstanding debentures during the year.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.



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Annexure to the Independent Auditor's Report of even date to the members of M.D. Overseas Limited, on the financial statements for the year ended March 31, 2015

- (xi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

B.P. Singh
per B.P Singh
Partner
Membership No.: 70116



Place: New Delhi
Date: May 29, 2015

M.D. Overseas Limited

Balance sheet as at March 31, 2015

(All amounts in rupees, unless otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	5	9,662,000	9,662,000
Reserves and surplus	6	2,295,093,217	1,550,278,683
		<u>2,304,755,217</u>	<u>1,559,940,683</u>
Non-current liabilities			
Deferred tax liabilities	7	-	825,719
Long-term provisions	8	6,825,106	5,182,809
		<u>6,825,106</u>	<u>6,008,528</u>
Current liabilities			
Short-term borrowings	9	57,682,418,854	39,939,114,368
Trade payables	10	10,633,206,024	5,120,111,408
Other current liabilities	11	480,811,216	543,995,526
Short-term provisions	8	12,686,518	-
		<u>68,809,122,612</u>	<u>45,603,221,302</u>
Total		<u><u>71,120,702,935</u></u>	<u><u>47,169,170,513</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	22,378,845	35,923,548
Intangible assets	12	984,956	-
Capital work-in-progress		4,238,944	4,238,944
Non-current investments	13	47,287,500	47,287,500
Deferred tax assets	7	6,522,002	-
Long-term loans and advances	14	23,016,886	26,872,522
Other non-current assets	15	21,301,424	41,481,875
		<u>125,730,557</u>	<u>155,804,389</u>
Current assets			
Current investments	16	-	374,900,000
Inventories	17	1,625,468,396	3,642,249,674
Trade receivables	18	11,766,666,421	4,938,874,076
Cash and bank balances	19	56,632,811,121	37,571,942,802
Short-term loans and advances	20	540,865,020	273,499,765
Other current assets	21	429,161,420	211,899,807
		<u>70,994,972,378</u>	<u>47,013,366,124</u>
Total		<u><u>71,120,702,935</u></u>	<u><u>47,169,170,513</u></u>

The accompanying notes from 1 to 43 are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP

Chartered Accountants
 Firm Registration No: 001076/N/201500013

per B. P. Singh
 Partner



For and on behalf of the Board of Directors
 M. D. Overseas Limited

Satish Bansal

Satish Bansal
 Managing Director
 DIN : 76521

Tamanna Bansal

Tamanna Bansal
 Director
 DIN : 6630643

Place: New Delhi
 Date: May 29, 2015

M.D. Overseas Limited

Statement of profit and loss for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Revenue			
Income from operations	22	304,955,670,066	176,520,113,101
Other income	23	3,999,768,206	1,735,006,791
Total revenue		308,955,438,272	178,255,119,892
Expenses			
Cost of materials consumed	24	26,373,376,605	146,231,057
Purchases of traded goods		278,981,174,266	180,475,662,399
Changes in inventories of traded goods	25	1,864,977,052	(3,169,093,111)
Employee benefit expenses	26	45,373,843	34,028,622
Finance costs	27	444,766,771	212,575,907
Depreciation and amortisation expense	12	13,963,965	6,638,159
Other expenses	28	100,368,364	61,955,047
Total expenses		307,824,000,866	177,767,998,080
Profit before tax		1,131,437,406	487,121,812
Tax expense			
Current tax		(389,237,188)	(164,222,134)
Deferred tax		7,347,721	872,973
Profit for the year		749,547,939	323,772,651
Basic and diluted earning per equity share [nominal value of share Rs. 10 (previous year : Rs. 10)]	29	775.77	335.10

The accompanying notes from 1 to 43 are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandio & Co LLP

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per *B. P. Singh*
Partner



Place: New Delhi

Date: May 29, 2015

For and on behalf of the Board of Directors

M. D. Overseas Limited

Satish Bansal

Satish Bansal
Managing Director
DIN : 76521

Tamanna Bansal

Tamanna Bansal
Director
DIN : 6630643

M. D Overseas Limited
Cash flow statement for the year ended March 31, 2015
(All amounts in rupees, unless otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash flow from operating activities		
Net profit before tax	1,131,437,406	487,121,812
<i>Adjustments for:</i>		
Depreciation and amortisation	13,963,965	6,638,159
Finance costs	444,766,771	212,575,907
Interest income	(3,711,484,081)	(1,308,470,035)
Unrealised foreign exchange (gain)/loss	(183,001,539)	(5,843,850)
Profit on disposal of assets	-	(25,587)
Profit on sale of mutual funds	(147,497,081)	(63,735,607)
Operating profit before working capital changes	(2,451,814,559)	(671,739,201)
<i>Adjustments for:</i>		
Inventories	2,016,781,278	(3,320,897,336)
Trade receivables	(6,680,083,601)	(5,011,771,101)
Loans and advances (current and non-current)	(263,509,616)	181,635,577
Trade and other payables	5,437,110,578	5,192,029,936
	(1,941,515,920)	(3,630,742,125)
Direct taxes paid (net of advance tax)	(322,315,819)	(67,434,773)
Net cash used in operating activities	(A) (2,263,831,739)	(3,698,176,898)
B. Cash flow from investing activities		
Interest income	3,461,802,323	3,527,192,584
Movement in fixed deposits with bank (net)	(19,513,104,270)	135,583,673
Proceeds on sale of mutual funds and bond	266,162,644,351	158,683,435,608
Purchase of mutual funds	(265,650,200,000)	(157,965,100,000)
Proceeds from sale of shares	289,124,032	-
Purchase of shares	(279,171,306)	-
Proceeds from sale of tangible assets	-	233,308
Purchase of tangible assets	(6,137,623)	(26,958,159)
Net cash (used) in/generated from investing activities	(B) (15,535,042,493)	4,354,387,014
C. Cash flow from financing activities		
Finance costs	(395,031,951)	(337,701,958)
Proceed from short term rupee loan	(400,000,000)	400,000,000
Proceeds from short term borrowings (net)	18,143,304,486	(265,485,347)
Net cash generated from/ (used) in financing activities	(C) 17,348,272,535	(203,187,305)
Net (decrease)/increase in cash and cash equivalents	(A+B+C) (450,601,697)	453,022,811
Cash and cash equivalents at the beginning of the year	610,819,697	157,796,886
Cash and cash equivalents at the close of the year	160,218,000	610,819,697

The accompanying notes from 1 to 43 are an integral part of these financial statements.
This is the Cash Flow Statement referred to in our report of even date.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No. 0911076N/NS00013

B. P. Singh
per B. P. Singh
Partner



Place: New Delhi
Date: May 29, 2015

For and on behalf of the Board of Directors
M. D. Overseas Limited

Satish Bansal
Satish Bansal
Managing Director
DIN : 76521

Tamanna Bansal
Tamanna Bansal
Director
DIN : 6630643

	As at March 31, 2015	As at March 31, 2014
5 Share capital		
Authorised share capital		
1,000,000 equity shares of Rs. 10 each (previous year 1,000,000 of Rs. 10 each)	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and fully paid up		
966,200 equity shares of Rs. 10 each (previous year 966,200 of Rs. 10 each)	9,662,000	9,662,000
	<u>9,662,000</u>	<u>9,662,000</u>

a) Terms and rights attached to equity shares:

The Company has one class of equity shares with a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Reconciliation of the number of shares outstanding at beginning and at the end of the reporting year:

	March 31, 2015		March 31, 2014	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	966,200	9,662,000	966,200	9,662,000
Shares outstanding at the end of the year	966,200	9,662,000	966,200	9,662,000

c) Details of shareholders holding more than 5% of equity share capital:

Name of shareholders	March 31, 2015			March 31, 2014		
	No. of shares held	% of holding	Amount	No. of shares held	% of holding	Amount
Mr Satish Bansal	530,420	54.90%	5,304,200	530,420	54.90%	5,304,200
Mrs Kalpana Bansal	186,300	19.28%	1,863,000	186,300	19.28%	1,863,000
	716,720		7,167,200	716,720		7,167,200

d) The Company has not issued bonus shares, equity shares issued for consideration other than cash and also no share has been bought back during the period of five years immediately preceding the reporting period.

The above information is furnished as per the shareholders register as on that date.

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M. D Overseas Limited

Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

12 Fixed assets

Particulars	Gross block			Accumulated depreciation and amortisation				Net block	
	As at April 1, 2014	Additions during the year	Balance as at March 31, 2015	As at April 1, 2014	Depreciation for the year	Adjustement against Reserve	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
Tangible assets									
Freehold land	43,200	-	43,200	-	-	-	-	43,200	43,200
Buildings	55,585	-	55,585	40,995	-	-	40,995	14,590	14,590
Computer hardware	11,720,681	472,946	12,193,627	10,647,850	536,512	255,733	11,440,095	753,532	1,072,831
Plant and equipment	32,806,081	2,688,571	35,494,652	13,568,292	5,657,116	3,807,297	23,032,705	12,461,947	19,237,789
Office equipments	5,108,410	499,073	5,607,483	3,341,448	2,190,814	-	5,532,262	75,221	1,766,962
Furniture and fixtures	13,520,149	43,788	13,563,937	9,602,232	993,500	361,010	10,956,742	2,607,195	3,917,917
Vehicles	20,784,987	849,076	21,634,063	10,914,728	3,986,810	309,365	15,210,903	6,423,160	9,870,259
Total	84,039,093	4,553,454	88,592,547	48,115,545	13,364,752	4,733,405	66,213,702	22,378,845	35,923,548
Previous year	59,437,334	26,958,159	84,039,093	43,626,065	6,638,159	-	48,115,545	35,923,548	
Intangible assets									
Computer software	-	1,584,169	1,584,169	-	599,213	-	599,213	984,956	-
Total	-	1,584,169	1,584,169	-	599,213	-	599,213	984,956	-
Previous year	-	-	-	-	-	-	-	-	-



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

	As at March 31, 2015		As at March 31, 2014	
6 Reserves and surplus				
General reserve				
Balance at the beginning of the year		2,500,000		2,500,000
Balance at the end of the year		<u>2,500,000</u>		<u>2,500,000</u>
Export Reserve				
Balance at the beginning of the year		2,286,100		2,286,100
Balance at the end of the year		<u>2,286,100</u>		<u>2,286,100</u>
Surplus in the statement of profit and loss				
Balance at the beginning of the year		1,545,492,583		1,221,719,932
Add : Net profit for the current year		749,547,939		323,772,651
Less : Depreciation adjustment against reserves		4,733,405		-
Balance at the end of the year		<u>2,290,307,117</u>		<u>1,545,492,583</u>
		<u>2,295,093,217</u>		<u>1,550,278,683</u>
7 Deferred taxes (assets)/ liabilities				
Deferred tax liabilities arising on account of:				
Expenses claimed in tax but not debited in statement of profit and loss		2,330,536		2,815,979
Timing difference on tangible assets depreciation		-		143,783
		<u>2,330,536</u>		<u>2,959,762</u>
Deferred tax asset arising on account for:				
Timing difference on tangible assets depreciation		6,532,684		2,134,043
Provision for employee benefits		2,319,854		-
		<u>8,852,538</u>		<u>2,134,043</u>
Net deferred tax (assets)/ liabilities		<u>(6,522,002)</u>		<u>825,719</u>
8 Provisions				
		Long-term		Short-term
		March 31, 2015	March 31, 2014	March 31, 2015
Provision for gratuity (refer note 31)		6,825,106	5,182,809	-
Income tax provision (net of advance tax Rs. 376,550,669 (previous year: Nil))		-	-	12,686,518
		<u>6,825,106</u>	<u>5,182,809</u>	<u>12,686,518</u>
9 Short term borrowings				
Secured				
Foreign currency loan (refer note 41)		57,682,418,854		39,539,114,368
Rupee loan		-		400,000,000
		<u>57,682,418,854</u>		<u>39,939,114,368</u>
10 Trade payables				
Dues to micro, small and medium enterprises (refer note 40)		-		-
Trade creditors		10,633,206,024		5,120,111,408
		<u>10,633,206,024</u>		<u>5,120,111,408</u>
11 Other current liabilities				
Bank overdraft		258,348,002		470,331,877
Statutory dues		108,190,018		40,120,730
Employee related payables		4,104,522		7,322,900
Interest accrued and not due		62,954,475		13,219,655
Margin money received		2,400,000		750,000
Other accrued liabilities		6,693,460		8,298,694
Advance from customers		38,120,739		3,951,670
		<u>480,811,216</u>		<u>543,995,526</u>



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
13 Non-current investments		
Non trade investment (Valued at cost)		
Quoted investment		
Prasidh Finance Limited*		
24,000 (previous year 24,000) equity shares of Rs 10/- each fully paid up	73,000	73,000
Sincere Packers Limited*		
21,500 (previous year 21,500) equity shares of Rs 10/- each fully paid up	64,500	64,500
Unquoted Investment		
M D Securities Private Limited		
75,500 (previous year 75,500) shares of Rs 100 each fully paid up	47,150,000	47,150,000
	<u>47,287,500</u>	<u>47,287,500</u>
Aggregate amount of unquoted investments	47,150,000	47,150,000
Aggregate amount of quoted investments	137,500	137,500
* These are not actively traded. Hence market data is not available.		
14 Long-term loans and advances		
(Unsecured, considered good)		
Security deposits	7,611,637	7,469,464
Other advances	15,405,249	19,403,058
	<u>23,016,886</u>	<u>26,872,522</u>
15 Other non-current assets		
Income tax (net of provision for tax Rs. 453,173,350 (previous year: Rs. 210,222,134)	19,167,169	40,981,875
Bank deposits (due to mature after 12 months from the reporting date)	2,134,255	500,000
	<u>21,301,424</u>	<u>41,481,875</u>
16 Current investments		
Trade investments (at lower of cost and fair value, quoted)		
Union KBC Mutual Fund	-	374,900,000
	<u>-</u>	<u>374,900,000</u>
Aggregate amount of quoted investments	-	374,900,000
Market value of quoted investments	-	375,335,955
17 Inventories (valued at cost or lower of net realisable value)		
Traded goods	1,625,468,396	3,490,445,448
Raw material	-	151,804,226
	<u>1,625,468,396</u>	<u>3,642,249,674</u>
18 Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they were due for payment	-	4,938,874,076
Others	11,766,666,421	4,938,874,076
	<u>11,766,666,421</u>	<u>4,938,874,076</u>
19 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	518,663	562,165
Balances with banks		
In current accounts	94,699,337	85,432,532
In deposit accounts (with maturity upto 3 months)	65,000,000	524,825,000
	<u>160,218,000</u>	<u>610,819,697</u>
Other bank balances		
Balances with bank held as		
Bank deposits with maturity of less than 12 months from the reporting date*	56,472,593,121	36,961,123,105
Bank deposits with maturity of more than 12 months from the reporting date	2,134,255	500,000
	<u>56,474,727,376</u>	<u>36,961,623,105</u>
Less : Amounts disclosed as other non-current assets (refer note 15)*	<u>(2,134,255)</u>	<u>(500,000)</u>
Total	<u>56,632,811,121</u>	<u>37,571,942,802</u>

*Kept as margin money



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
20 Short-term loans and advances (Unsecured considered good)		
Prepaid expenses	240,464,053	234,025,131
Security deposits	7,850,970	9,126,028
Advance to related party	1,100,000	2,510,000
Other advances	291,449,997	27,838,606
	<u>540,865,020</u>	<u>273,499,765</u>
21 Other current assets		
Interest accrued on bank deposits	429,161,420	179,479,662
Income tax (net of provision for tax Rs. 453,173,350 (previous year: Nil))	-	32,420,145
	<u>429,161,420</u>	<u>211,899,807</u>
22 Income from operations		
Sale of products		
Export	84,737,563,050	42,910,217,533
Domestic	219,173,900,905	133,830,490,064
	<u>303,911,463,955</u>	<u>176,740,707,597</u>
Other operating revenues	1,044,206,111	(220,594,496)
	<u>304,955,670,066</u>	<u>176,520,113,101</u>
Details of products sold		
Silver	34,309,151,469	50,551,108,361
Gold	184,864,749,436	83,098,592,375
Jewellery	19,726,144,966	14,368,158,011
Polymers	24,611,399,803	-
Nickels	40,400,018,281	28,722,848,850
	<u>303,911,463,955</u>	<u>176,740,707,597</u>
Details of other operating revenue		
Foreign exchange difference	1,044,206,111	(220,594,496)
23 Other income		
Interest income	3,711,484,081	1,308,470,035
Net settlement of derivative contracts and commodities	133,523,320	351,767,043
Other income	154,760,805	74,769,713
	<u>3,999,768,206</u>	<u>1,735,006,791</u>
24 Cost of materials consumed		
Opening stock		
Raw materials and components	151,804,226	-
	<u>151,804,226</u>	-
Add : Purchases during the year		
Raw materials and components	26,187,463,393	296,895,053
Medallion making charges	34,108,986	1,140,230
	<u>26,221,572,379</u>	<u>298,035,283</u>
Less : Closing stock		
Raw materials and components	-	151,804,226
	<u>-</u>	<u>151,804,226</u>
	<u>26,373,376,605</u>	<u>146,231,057</u>
25 Changes in inventories of traded goods		
Opening stock		
- Traded goods	3,490,445,448	321,352,337
Closing stock		
- Traded goods	1,625,468,396	3,490,445,448
	<u>1,864,977,052</u>	<u>(3,169,093,111)</u>



M.D. Overseas Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015***(All amounts in rupees, unless otherwise stated)*

	Year ended March 31, 2015	Year ended March 31, 2014
26 Employee benefit expense		
Salaries, wages and bonus	39,181,908	31,343,574
Contribution to provident and other defined contribution funds	3,080,350	1,773,756
Staff welfare expenses	3,111,585	911,292
	<u>45,373,843</u>	<u>34,028,622</u>
27 Finance costs		
Interest expenses	444,766,771	212,575,907
	<u>444,766,771</u>	<u>212,575,907</u>
28 Other expenses		
Power and fuel	2,863,453	2,033,342
Rent	2,100,874	4,499,189
Repairs and maintenance		
- Buildings	3,540,196	2,259,644
Insurance	2,043,116	277,868
Legal and professional expenses	13,124,568	12,490,864
Payment to auditors (refer note 37)	1,500,000	1,350,000
Other expenses	75,196,157	39,044,140
	<u>100,368,364</u>	<u>61,955,047</u>
29 Earnings per share (EPS)		
Net profit attributable to equity shareholders	749,547,939	323,772,651
Face value of share (in Rs.)	10	10
Weighted average number of equity shares in calculating basic EPS	966,200	966,200
Weighted average number of equity shares in calculating diluted EPS	966,200	966,200
Basic earnings per share (in Rs.)	775.77	335.10
Diluted earnings per share (in Rs.)	775.77	335.10

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M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

1. Principles of consolidation

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement include the financial statements of M.D Overseas Limited, the Parent Company and its subsidiary MD Securities Private Limited (collectively referred to as 'consolidated financial statements').

The consolidated financial statements have been combined on a line by line basis by adding the book value of the like items of the assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves of the subsidiaries. The excess/deficit of cost to the Parent Company of its investment over its portion of equity in the subsidiaries at the respective date on which the investment in such entity was made is recognized in the financial statements as goodwill/capital reserve on consolidation. The Parent Company's portion of equity in such entities is determined on the basis of book value of assets and liabilities as per financial statements of the entity as on the date of investment.

The consolidated statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its standalone financial statements.

2. Basis of preparation

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

3. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

4. Significant accounting policies

a. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Sale of goods

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods are transferred to the customers and is stated net of trade discounts and sales tax.



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

- Interest income

Interest income is recognised using time proportion method, based on the rate implicit in the transaction.

b. Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises of purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

c. Depreciation

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. With effect from current year, ~~schedule~~ Schedule XIV has been replaced by Schedule II of Companies Act, 2013. Schedule II of Companies Act, 2013 prescribed the useful lives of fixed asset which, in many cases, are different from lives prescribed under Schedule XIV.

Depreciation on fixed assets is provided on the written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to adjustments arising out of transitional provisions of Schedule.

d. Impairment of assets

The Company reviews the carrying amounts of assets at each balance sheet date to ascertain if there is any indication of impairment. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognised in the prior accounting period is reversed if there is change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

e. Inventory

Finished Goods

Manufactured goods

Inventory is valued at lower of cost and net realizable value. Cost includes direct materials and manufacturing expenses incurred to bring inventories to their present location and condition.



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

Traded goods

Inventory is recorded at lower of cost and net realizable value. Traded goods are recorded at purchase price plus expenses incurred to bring inventory to its present location and related taxes net of tax credit, if any, available. Cost of closing inventory is determined on first in first out (FIFO) basis.

f. Employee benefits

Wages, salaries, unpaid leaves and bonuses are accrued in the year in which the associated services are rendered by employees of the Company.

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into a fund established under Employees Provident Fund and Miscellaneous Provision Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

The Company provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. The legal obligation for any benefits from this kind of plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ("DBO") at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method.

g. Foreign currency transactions

Transactions in foreign currency are recorded in the reporting currency by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rate prevailing on that date. The exchange differences resulting on such translation and on settlement of transactions are charged to Statement of Profit and Loss.

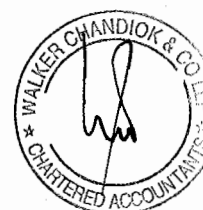
h. Investment

The classification of investment as long term or current depends on the intention of management and its plans to monetize the investments.

Long-term investments are stated at cost. Provision for diminution in this value is made only if such decline is other than temporary.

Current investments are valued at lower of cost and fair value.

Where long-term investments are reclassified as current investments, transfers are made at the lower of cost and carrying amount at the date of transfer. Where investments are reclassified from current to long-term, transfers are made at the lower of cost and fair value at the date of transfer.



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

i. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease rentals in respect of assets taken on 'operating lease' are charged to the Statement of Profit and Loss account on a straight line basis over the lease term.

j. Taxation

Tax expense comprises current income tax and deferred income tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year, in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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



M.D. Overseas Limited**Summary of significant accounting policies and other explanatory notes to the financial statements for the year ended March 31, 2015***(All amounts in rupees, unless otherwise stated)***31. Contingent liabilities not provided for in respect of**

	March 31, 2015	March 31, 2014
Demand against the company not acknowledged as liability		
Income Tax	5,119,080	5,119,080
Sales Tax	9,298,648	9,298,648
Custom Duty	16,717,822	16,717,822

Income Tax Cases

1. Matter has been remanded back by the Income-Tax Appellate Tribunal to The Commissioner of Income Tax (Appeals) against the demand of Rs. 5,119,080 including interest on Income Tax for the Assessment Year 1999-2000. The Company has deposited a sum of Rs. 5,119,080 against the said demand.

Sales Tax Cases

1. First appeal pending before the additional commissioner of sales tax for the year 1996-97 against the demand of Rs. 2,461,245 was adjudicated and remanded back to the assessing officer of the ward. The Company has deposited a sum of Rs. 1,500,000 against the said demand which is shown as claim recoverable under the head 'Loans and Advances'.
2. Revision petition against the orders passed by Dy. Commissioner Sales-Tax-II, pending before Commissioner of Sales Tax for the year 1997-98 against the demand of Rs 1,389,727 were dismissed. The Company has deposited a sum of Rs 1,389,727 against the said demand which is shown as claim recoverable under the head 'Loans and Advances'.
3. Appeal is pending before the Rajasthan Tax Board against the demand of Rs 2,500,000 for the year 2004-05. The Company has deposited Rs 2,500,000 under protest out of which Rs 1,000,000 is shown under the head claim recoverable in the Balance Sheet and balance Rs 1,500,000 had been debited to Statement of profit and loss in the year 2004-05.
4. Appeal is pending before the Rajasthan Tax Board against the demand of Rs. 4,000,000 for the year 2005-06. The Company has deposited Rs 4,000,000 under protest which is shown under the head claim recoverable in balance sheet, out of which Rs 421,820 have been paid towards interest.
5. Appeal is pending before the UP Tax Board against the demand of Rs 447,676 for the AY 07-08. The Company has deposited Rs. 223,838 under protest which is shown under the head claim recoverable in balance sheet. Subsequently, the order dated April 13, 2015 was announced in the favour of the Company. An application for refund dated April 22, 2015 has been filed by the Company.

Excise and Customs Cases

1. The Company had deposited Rs 1,500,000 with the customs department against demand of duty of Rs 8,358,911 and penalty of equal amount for disputes in utilization of import license for import of goods.



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory notes to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

32. Employee benefits

A. Gratuity

Amount recognised in the Statement of profit and loss is as under:

Description	March 31, 2015	March 31, 2014
Current service cost	1,642,297	773,776
	<u>1,642,297</u>	<u>773,776</u>

Movement in the liability recognised in the Balance sheet is as under:

Description	March 31, 2015	March 31, 2014
Present value of defined benefit obligation as at the beginning of the year	5,182,809	4,409,033
Current service cost	1,642,297	773,776
Present value of defined benefit obligation as at the end of the year	<u>6,825,106</u>	<u>5,182,809</u>
Amount recognised in balance sheet –Long-term provisions	<u>6,825,106</u>	<u>5,182,809</u>

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Description	March 31, 2015	March 31, 2014
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%

33. Related party disclosures

Subsidiary Company

M.D. Securities (P) Limited (Formerly known Bansal Exports (P) Limited)

Key Management Personnel (KMP)

Sh. Satish Bansal
Smt. Kalpana Bansal
Ms. Tamanna Bansal

Relatives of KMP

Sh. Puran Mal Bansal
Sh. Dinesh Bansal
Mr. Vimal Bansal
Mrs. Pratibha Bansal
Sh. Anil Bansal



M.D. Overseas Limited**Summary of significant accounting policies and other explanatory notes to the financial statements for the year ended March 31, 2015***(All amounts in rupees, unless otherwise stated)*

Ms. Anita Bansal
 Ms. Anjana Bansal
 Ms. Tripti Bansal
 Sh. Vinod Bansal
 Ms. Gitesh Bansal
 Mr. Manohar Lal Mittal

Enterprises owned or significantly influenced by key management personnel or their relatives

Gulab Impex Enterprises Limited
 Prasad Finance Limited
 Novel Trade Links Limited
 Sincere Packers Limited
 Young Builders (P) Limited
 Youth Construction (P) Limited
 Kanak Exports

Transactions with and outstanding balances of related parties were as under:

	For the year ended March 31,	
	<u>2015</u>	<u>2014</u>
Enterprises owned or significantly influenced by key management personnel or their relatives		
<i>Transactions during the year</i>		
Sale of goods	4,113,960,058	30,300,000
(Parties to whom sale is made more than 10% of the total sale made to related party)		
Gulab Impex Enterprises Limited	4,113,960,058	30,300,000
Purchase of goods	56,156,977,041	3,901,755,894
(Parties from whom purchase is made more than 10% of the total purchases made from related party)		
Kanak Exports	56,156,977,041	3,733,326,994
Gulab Impex Enterprises Limited	-	168,428,900
Rent	44,000	264,000
Margin money repaid	-	151,992,400
Margin money paid	-	51,500,000
KMP		
<i>Transactions during the year</i>		
Rent paid	-	1,056,000
Remuneration	7,200,000	3,000,000



M.D. Overseas Limited**Summary of significant accounting policies and other explanatory notes to the financial statements for the year ended March 31, 2015***(All amounts in rupees, unless otherwise stated)*

(Parties to whom remuneration paid is more than 10% of total amount.)		
Satish Bansal	6,000,000	2,400,000
Tamanna Bansal	1,200,000	600,000
Margin money repaid	-	1,000,000
Relatives of KMP		
<i>Transactions during the year</i>		
Rent	340,000	2,040,000
Margin money repaid	-	5,710,000

34. Details of imported raw materials consumed

Particulars	March 31, 2015		March 31, 2014	
	Value	% of total consumption	Value	% of total consumption
Imported	26,373,376,606	100%	146,231,057	100%
Total	26,373,376,606	100%	146,231,057	100%

35. Purchase of traded good includes exchange difference of Rs. 2,002,259,260 (previous year Rs. 2,331,422,925)

36. Expenditure in foreign currency

	March 31, 2015	March 31, 2014
Interest on short term borrowings	408,618,310	197,907,432
Travelling expenses	3,625,976	169,660
Total	412,244,286	198,077,092

37. FOB value of exports

	March 31, 2015	March 31, 2014
Direct exports	84,737,563,050	42,910,217,533
Total	84,737,563,050	42,910,217,533



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory notes to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

38. Un-hedged foreign currency exposure

Foreign currency exposures which are not hedged as at the Balance Sheet are as follows:

	As at March 31, 2015		As at March 31, 2014	
	Amount (USD)	Amount (Rs.)	Amount (USD)	Amount (Rs.)
Receivable	187,899,197	11,760,761,066	83,285,655	4,938,839,336
Payable	166,345,183	10,411,678,090	85,001,798	5,120,109,452

39. Accounting Standard 17 "Segment Reporting" of the Companies (Accounting standards) Rules, 2006 requires the Company to disclose certain information about operating segments. The Company is managed as a single operating unit that deals in bullion trading and therefore, has only one reportable business segment. Hence the disclosure required by this standard is presently not applicable to the Company.

In terms of geographical disclosure, external revenue from customers based on their geographical location for the year ended is tabulated below:

	March 31, 2015	March 31, 2014
Export sales	85,781,769,161	42,689,623,037
Domestic sales	219,173,900,905	133,830,490,064
Total	304,955,670,066	176,520,113,101

40. Based on the information available with the Company there are no dues outstanding to Micro, Small, and Medium Enterprises as at March 31, 2015 under the Micro, Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

41. The Company has deposits with the banks for amounts outstanding as buyer's credit aggregating to Rs. 54,169,100,000 (Previous year Rs 36,499,242,284) under the arrangement with the banks, with whom such deposits have been placed, the Company has effectively redeemed its liabilities towards such trade transactions by exchanging the underlying foreign currencies at a predetermined rate. Such deposit are restricted for any other use and therefore disclosed as margin money in Note 20.



M.D. Overseas Limited

Summary of significant accounting policies and other explanatory notes to the financial statements for the year ended March 31, 2015

(All amounts in rupees, unless otherwise stated)

41. The Company has deposits with the banks for amounts outstanding as buyer's credit aggregating to Rs. 54,169,100,000 (Previous year Rs 36,499,242,284) under the arrangement with the banks, with whom such deposits have been placed, the Company has effectively redeemed its liabilities towards such trade transactions by exchanging the underlying foreign currencies at a predetermined rate. Such deposit are restricted for any other use and therefore disclosed as margin money in Note 19.
42. Effective from April 01, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 47 lacs (net of deferred tax) has been adjusted against retained earnings. Owing to aforementioned change in estimate, depreciation charge for the year ended is higher by Rs. 72.36 lacs.
43. Previous year figures have been regrouped/ rearranged wherever considered necessary to make them comparable with those of the current year.

Walker Chandiook & Co

For Walker Chandiook & Co LLP

Chartered Accountants

B. P. Singh

per **B. P. Singh**
Partner



For and on behalf of Board of Directors

Satish Bansal

Satish Bansal
Managing Director
DIN: 76521

Tamanna Bansal

Tamanna Bansal
Director
DIN: 6630643

Place: New Delhi

Date: May 29, 2015