

MMG INDIA PRIVATE LIMITED
Audited Financial Statements for the Year Ended 31st March, 2015

Amit Desai & Co
Chartered Accountants
43, Sunbeam Apartments
3A Pedder Road, Mumbai - 400 026
Email ID - amitdesaiandco@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Members of MMG INDIA PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MMG INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give 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 the 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 internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material statement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

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

Emphasis of Matter

Attention is invited to Note No. 38 to the financial statement, with regards to MAT Credit Entitlement of Rs. 2,868.00 ('000) based on the judgment of management. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in exercise of powers conferred by Sub-Section (11) of Section 143 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 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.



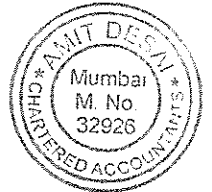
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written presentations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Sub-Section (2) of the Section 164 of the Act.
- f) With respect to the other matters 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 explanation given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there could be 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.

For **Amit Desai & Co**
Chartered Accountants
Firm's Registration No. 130710W




(**Amit N. Desai**)
Partner

Membership No. 032926



Place : Mumbai
Date : 11th May, 2015

Annexure to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report even date.)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, fixed assets have been physically verified by the management in phased manner as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii)
 - (a) The management has carried out physical verification of the inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventories 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 maintains proper records of inventory. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and these have been properly dealt with in the books of account.
- (iii) The Company has not granted unsecured loans to Companies, firms or other parties covered in the register maintained under Section 189 of the Act, hence the provisions of Paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of Paragraph 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Sub-Section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii)
 - (a) The Company has generally been regular in depositing with appropriate authorities 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 applicable to it.



(b) According to the information and explanations given to us, no undisputed dues in respect of 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 which were outstanding, at the year end for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding as at the year end, of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4,941.02	Assessment Year 2012-13	Rectification u/s. 154 is pending before the Assessing Officer
The Central Sales Tax, 1956	Sales Tax	224.82	Assessment Year 2001-02	Sales Tax Appellant Tribunal, Chennai
The Employees State Insurance, 1948	ESIC	89.69	April 1998 to September 1998	Principal Labour Court, Chennai

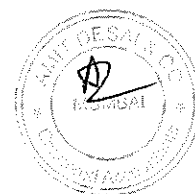
(d) According to the information and explanations given to us, there is no amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Therefore, the provisions of Paragraph 3 (vii) (d) of the Order are not applicable to the Company.

(viii) The Company does not have any accumulated losses which exceeds 50% of its net worth at the end of the financial year and has incurred cash losses during the year. However, the Company has not incurred cash losses in the immediately preceding financial year.

(ix) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to its bankers and financial institution. The Company did not have any outstanding dues to any debentures holders during the year.

(x) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of Paragraph 3(x) of the Order are not applicable to the Company.

(xi) In our opinion and on overall examination, we report that the term loans have been applied for the purpose for which the loans were obtained.



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

For **Amit Desai & Co**
Chartered Accountants
Firm's Registration No. 130710W



Amit Desai

(Amit N. Desai)

Partner

Membership No. 032926



Place : Mumbai

Date : 11th May, 2015

MMG INDIA PRIVATE LIMITED
Balance Sheet As At 31st March, 2015

(Rupees in '000)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	2	138,658.70		138,658.70	
(b) Reserves & Surplus	3	(43,239.19)	95,419.51	(38,123.70)	100,535.00
Non-Current Liabilities					
(a) Long-Term Borrowings	4	64,490.64		-	
(b) Long-Term Provisions	5	10,368.65	74,859.29	7,971.33	7,971.33
Current Liabilities					
(a) Short-Term Borrowings	6	82,571.84		2,257.23	
(b) Trade Payables	7	16,199.90		14,754.07	
(c) Other Current Liabilities	8	44,124.47		8,736.20	
(d) Short-Term Provisions	9	2,217.08	145,113.29	1,489.58	27,237.08
Total			315,392.10		135,743.41
II. ASSETS					
Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		134,684.88		33,669.35	
(ii) Intangible assets		427.08		435.68	
(iii) Capital Work in Progress		37,624.16		376.67	
		172,736.12		34,481.70	
(b) Deferred Tax Assets (Net)	11	13,174.72		11,013.18	
(c) Long-Term Loans & Advances	12	12,189.36	198,100.19	4,792.10	50,286.98
Current assets					
(a) Inventories	13	44,902.84		31,374.84	
(b) Trade Receivables	14	35,073.99		34,002.18	
(c) Cash & Bank Balances	15	13,461.78		7,745.41	
(d) Short-Term Loans & Advances	16	22,985.23		11,972.92	
(e) Other Current Assets	17	868.06	117,291.91	361.08	85,456.43
Total			315,392.10		135,743.41
Significant Accounting Policies and Notes to the Financial Statements	1 to 41				

As Per Our Report of Even Date
 For Amit Desai & Co
 Chartered Accountants

A. Desai

Amit N. Desai
 (Partner)



For and on behalf of Board of Directors of
 MMG India Private Limited

[Signature]

(Director)

[Signature]

(WTD & CFO)

Mumbai: 11th May, 2015




MMG INDIA PRIVATE LIMITED
Statement of Profit And Loss For The Year Ended 31st March, 2015

(Rupees in '000)

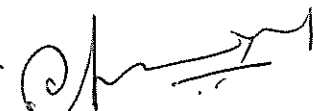
Particulars	Note No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Income:			
Revenue From Operations (Gross)	18	146,473.41	132,715.15
Less: Excise Duty		(4,714.20)	(4,154.53)
Revenue From Operations (Net)		141,759.21	128,560.62
Other Income	19	2,229.19	3,224.96
Total Revenue		143,988.40	131,785.58
Expenses:			
Cost of Raw Materials Consumed	20	36,293.95	26,039.50
Changes In Inventories of Finished Goods & Work-in-Progress	21	(11,864.49)	(4,597.09)
Employee Benefit Expense	22	45,542.38	34,083.24
Finance Costs	23	3,187.88	2,636.20
Depreciation & Amortization Expense	24	3,296.71	4,275.41
Other Expenses	25	72,931.40	66,213.78
Total Expenses		149,387.83	128,651.03
Profit / (Loss) Before Exceptional And Extraordinary Items And Tax		(5,399.44)	3,134.55
Exceptional Items		-	-
Profit / (Loss) Before Extraordinary Items and Tax		(5,399.44)	3,134.55
Extraordinary Items		-	-
Profit / (Loss) Before Tax		(5,399.44)	3,134.55
Tax Expense:			
- Current Tax		-	-
- Prior Years Tax Adjustments		-	(54.95)
- Deferred Tax		(2,161.54)	75.75
Profit / (Loss) After Tax		(3,237.89)	3,113.75
Prior Period Items		1,829.71	(98.00)
Profit/(Loss) For The Year		(5,067.60)	3,211.75
Earnings Per Equity Share (Face Value of Rs.10/- Each)			
Basic & Diluted		(0.37)	0.23
Significant Accounting Policies and Notes to the Financial Statements	1 to 41		

As Per Our Report of Even Date
 For Amit Desai & Co
 Chartered Accountants

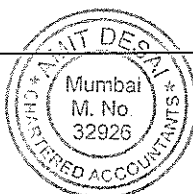

 Amit N. Desai
 (Partner)



For and on behalf of Board of Directors of
 MMG India Private Limited

 (Director)  (WTD & CFO)

Mumbai: 11th May, 2015



MMG INDIA PRIVATE LIMITED
Cash Flow Statement For the Year Ended 31st March, 2015

(Rupees in '000)

Sr. No.	Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before Tax and Extraordinary Items	(5,399.44)	3,134.55
	Adjustments For :		
	Depreciation & Amortization Expense	3,296.71	4,275.41
	Loss/(Profit) on Sale/Discard of Fixed Assets	-	(2.79)
	Employee Benefits Expense	3,188.17	654.17
	Finance Costs	3,187.88	2,636.20
	Provision for Doubtful Debts/(Excess Written Back)	121.76	287.20
	Sundry Balance Written Off/(Excess Written Back)	(265.59)	56.01
	Prior Period Items	(1,829.71)	98.00
	Interest Income	(993.35)	(727.55)
	Operating Profit/(Loss) Before Working Capital Changes	1,306.45	10,411.20
	Adjustments For Working Capital :		
	Trade and Other Receivables	(19,444.81)	(8,111.64)
	Inventories	(13,528.00)	(5,487.08)
	Trade Payables and Other Liabilities	36,770.75	3,533.17
	Cash Generated From Operations	5,104.39	345.65
	Taxes Paid	(399.72)	(815.14)
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	4,704.67	(469.49)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets , Capital Work in Progress	(141,599.01)	(2,996.80)
	Sale of Fixed Assets	-	2.79
	Interest income	993.35	727.55
	NET CASH USED IN INVESTING ACTIVITIES (B)	(140,605.66)	(2,266.46)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	(3,187.88)	(2,636.20)
	Proceeding / (Repayment) of Short Term Borrowing	80,314.61	2,257.23
	Proceeding / (Repayment) of Long Term Borrowing	64,490.64	-
	NET CASH USED IN FINANCING ACTIVITIES (C)	141,617.38	(378.97)
	NET CHANGES IN CASH AND CASH EQUIVALENTS (A + B + C)	5,716.36	(3,114.92)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	7,745.41	10,860.33
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	13,461.78	7,745.41
	Cash and Cash Equivalents Includes:		
	- Cash on Hand	27.46	145.75
	- Balances with Banks - In Current Accounts	399.33	4,830.96
	- Cheque on Hand	-	35.74
	- Fixed Deposit with maturity less than 3 months	-	2,732.96
	- Fixed Deposit with maturity more than 3 months but less than 12 months	13,035.00	-

Notes:

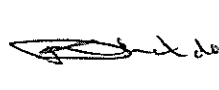
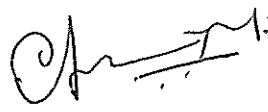
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 issued by The Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped or rearranged wherever necessary to conform to the current year's classifications.

As Per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants

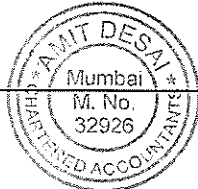

Amit N. Desai
(Partner)



For and on behalf of the Board of Directors
MMG India Private Limited

 
(Director) (WTD & CFO)

Mumbai: 11th May, 2015



2	Share Capital	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
	Authorised:				
	Equity Shares of Rs. 10/- Each	15,000,000	150,000.00	15,000,000	150,000.00
	Total	15,000,000	150,000.00	15,000,000	150,000.00
	Issued, Subscribed And Fully Paid-Up:				
	Equity Shares of Rs. 10/- Each	13,865,870	138,658.70	13,865,870	138,658.70
	Total	13,865,870	138,658.70	13,865,870	138,658.70

(a) Reconciliation of the Equity Shares at the Beginning and at the End of the Reporting Period:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
At the Beginning of the Year	13,865,870	138,658.70	13,865,870	138,658.70
Issued During the Year	-	-	-	-
Bought Back During the Year	-	-	-	-
Outstanding at the End of the Year	13,865,870	138,658.70	13,865,870	138,658.70

(b) Terms/Rights Attached to Equity Shares:

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

(c) Details of Equity Shareholders Holding More Than 5 % Shares in the Company:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Delta Magnets Limited - Holding Company	13,865,870	100.00	13,865,870	100.00

(Rupees in '000)

3	Reserves & Surplus	As at 31st March	
		2015	2014
	Surplus / (Deficit) in Statement of Profit & Loss:		
	Opening Balance	(38,123.70)	(41,335.45)
	(+) / (-) : Net Profit / (Net Loss) During the Year	(5,067.60)	3,211.75
	(+) / (-) : Depreciation Effect as per Schedule II of the Companies Act, 2013 [Refer Note 10 (a)]	(47.88)	-
	Closing Balance	(43,239.19)	(38,123.70)
	Total	(43,239.19)	(38,123.70)

(Rupees in '000)

4	Long-Term Borrowings	As at 31st March	
		2015	2014
	Secured Borrowings:		
	-From a Bank	63,600.24	-
	(Outstanding balance as at Balance sheet date carry interest @ 13.50% p.a. (Floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule at monthly rests. Installment starts from July, 2015. For details of securities refer note 4 (a))		
	-From a Financial Institution	890.40	-
	(Outstanding Balance as at Balance sheet date carry floating interest @10.25% p.a., repayable in 60 months at monthly rests. Further, it is secured against hypothecation of Motor Vehicle)		
	Total	64,490.64	-

Note:

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

(Rupees in '000)

5	Long-Term Provisions	As at 31st March	
		2015	2014
	Provision for Employee Benefits:		
	Gratuity (Funded)	8,952.41	6,561.34
	Leave Encashment (Unfunded)	1,416.24	1,409.99
	Total	10,368.65	7,971.33



(Rupees in '000)

6	Short-Term Borrowings	As at 31st March	
		2015	2014
	<u>Loans Repayable on Demand</u>		
	<u>From Banks</u>		
	Bank 1- Advance (Overdraft) against security (Carry interest @9.75% p.a . It is secured against Fixed deposit)	-	2,257.23
	Bank 2 - Cash Credit [Repayable on demand and carry interest @ 13.50% p.a. (Floating). For details of securities refer note 4 (a)]	14,911.01	-
	Buyer's Credit Facility (Various buyer credits are repayable within one year from the date of credit facility and carries interest @ LIBOR + variable BPS. For details of securities refer note 4 (a))	58,790.84	-
	<u>Unsecured Loan</u>		
	Inter Corporate Deposit (Repayable on demand and carry interest @9.00% p.a .)	8,870.00	-
	Total	82,571.84	2,257.23

(Rupees in '000)

7	Trade Payables	As at 31st March	
		2015	2014
	Micro, Small and Medium Enterprises	4,090.66	2,955.64
	Others	12,109.24	11,798.42
	Total	16,199.90	14,754.07

Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006:

The Company has sent letters to suppliers and vendors to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act, 2006 as well as whether they have file required memorandum with the prescribed authorities. Out of the letters sent to the parties, some confirmations have been received till the date of finalization of Balance Sheet. Based on the confirmations received the details of outstanding are as under:

(Rupees in '000)

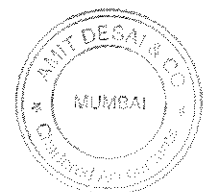
Particulars	As at 31st March	
	2015	2014
The principal amount remaining unpaid at the end of the year.	4,090.66	2,955.64
The interest amount remaining unpaid at the end of the year.	48.76	15.47
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	48.76	15.47
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	48.76	15.47

(Rupees in '000)

8	Other Current Liabilities	As at 31st March	
		2015	2014
	Duties & Taxes	4,680.39	4,095.46
	Advance from Customers	10,084.76	2,083.28
	Payable to Employees	2,980.30	2,182.54
	Payable for Capital Assets	13,405.37	-
	Current Maturities of Long-Term Borrowings	5,968.50	-
	Interest Accrued & Due on Borrowings	711.20	-
	Interest Accrued But Not Due on Borrowings	309.71	-
	Other Current Liabilities	5,984.24	374.92
	Total	44,124.47	8,736.20

(Rupees in '000)

9	Short Term Provisions	As at 31st March	
		2015	2014
	<u>Provision for Employee Benefits</u>		
	Gratuity (Funded)	1,570.35	1,391.60
	Leave Encashment (Unfunded)	646.72	97.98
	Total	2,217.08	1,489.58



11 **Deferred Tax**

in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the year.

The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on 31st March, 2015 are as follows:

(Rupees in '000)

Net Deferred Tax Liabilities / (Assets)		As at 31st March	
		2015	2014
Deferred Tax Liability arising on account of:			
Difference between Book and Tax Depreciation		4,804.22	2,161.54
Total (A)		4,804.22	2,161.54
Deferred Tax Asset arising on account of:			
Business Loss & Expenses Disallowed under the Income Tax Act, 1961		17,978.94	13,174.72
Total (B)		17,978.94	13,174.72
Net Deferred Tax Liabilities / (Assets) (A - B)		(13,174.72)	(11,013.18)

(Rupees in '000)

Long-Term Loans & Advances		As at 31st March	
		2015	2014
Security Deposits (Unsecured, Considered Good)			
With Public Bodies		2,709.36	1,924.10
With Others		6,612.00	-
Mat Credit Entitlement		2,868.00	2,868.00
Total		12,189.36	4,792.10

(Rupees in '000)

Inventories		As at 31st March	
		2015	2014
Raw Materials		8,183.88	6,344.27
Work-in-Progress		8,257.57	3,014.24
Finished Goods		25,803.43	19,182.27
Stores and Spares		2,657.96	2,834.06
Total		44,902.84	31,374.84

(Rupees in '000)

Trade Receivables (Unsecured, Unless Otherwise Stated)		As at 31st March	
		2015	2014
Trade Receivables Outstanding for a period exceeding six months from the date they were due for payment:			
Considered Good		2,288.19	1,930.59
Considered Doubtful		937.33	815.57
Other Trade Receivables:			
Considered Good		32,785.81	32,071.59
Considered Doubtful		-	-
Less: Provision for Doubtful Debts		(937.33)	(815.57)
Total		35,073.99	34,002.18

Provision for Doubtful Debts

The Company periodically evaluate all customers dues, the need for provision is amended based on various factors including collectability of specific dues, risk, perceptions of the industry in which customer operate, general economy factors.

(Rupees in '000)

Cash and Bank Balances		As at 31st March	
		2015	2014
Cash and Cash Equivalents			
Balances with Banks in Current Accounts		399.33	4,830.96
Cash on Hand		27.46	145.75
Cheque on Hand		-	35.74
Other Bank Balance			
Bank Deposits		-	-
-Fixed Deposits with maturity less than 3 months		-	2,732.96
-Fixed Deposits with maturity more than 3 months but less than 12 months		13,035.00	-
Total		13,461.78	7,745.41

(Rupees in '000)

Short Term Loans and Advances (Unsecured, Considered Good Unless Otherwise Stated)		As at 31st March	
		2015	2014
Other Loans and Advances			
Balance with Statutory Authorities		20,042.11	10,071.24
Advance Tax (Net of Provision for Taxes)		1,572.38	1,172.66
Security Deposit		20.00	-
Advance to Employees		414.34	290.55
Advances to Suppliers		557.37	80.17
Prepaid Expenses		379.03	358.30
Total		22,985.23	11,972.92

(Rupees in '000)

Other Current Assets		As at 31st March	
		2015	2014
Interest Accrued on Fixed Deposits		545.40	216.14
Interest Receivable on EB Deposit		284.74	144.94
Other Receivables		37.92	-
Total		868.06	361.08



(Rupees in '000)

18	Revenue From Operations (Gross)	Year Ended 31st March	
		2015	2014
	Sale of Products	131,325.58	117,649.55
	Sale of Services	15,147.84	14,873.22
	Income from Other Operating Activities	-	192.38
	Total	146,473.41	132,715.15

(Rupees in '000)

19	Other Income	Year Ended 31st March	
		2015	2014
	Interest Income	993.35	727.55
	Exchange Rate Fluctuation Income	-	1,524.39
	Net Gain on Sale of Fixed Assets	-	2.79
	Duty Draw Back Income	962.26	938.24
	Other Non-Operating Income	7.99	32.00
	Sundry Balance Written Back	265.59	-
	Total	2,229.19	3,224.96

(Rupees in '000)

20	Cost of Materials Consumed	Year Ended 31st March	
		2015	2014
	Opening Stocks	6,344.27	4,998.60
	Add: Purchases	38,133.56	27,385.17
		44,477.83	32,383.77
	Less: Closing Stocks	(8,183.88)	(6,344.27)
	Total	36,293.95	26,039.50

(Rupees in '000)

21	Changes In Inventories Of Finished Goods, Work-in-Progress	Year Ended 31st March	
		2015	2014
	Stocks At the End		
	Finished Goods	25,803.43	19,182.27
	Work-in-Progress	8,257.57	3,014.24
	(A)	34,061.00	22,196.51
	Stocks At the Beginning		
	Finished Goods	19,182.27	14,987.70
	Work-in-Progress	3,014.24	2,611.72
	(B)	22,196.51	17,599.42
	Total (B) - (A)	(11,864.49)	(4,597.09)

(Rupees in '000)

22	Employee Benefit Expense	Year Ended 31st March	
		2015	2014
	Salaries and Wages	36,841.72	29,207.91
	Contribution to Provident and Other Funds	2,772.31	2,246.21
	Staff Welfare Expenses	2,740.18	1,974.96
	Contribution to Gratuity Fund and Leave Encashment	3,188.17	654.17
	Total	45,542.38	34,083.24

(Rupees in '000)

23	Finance Costs	Year Ended 31st March	
		2015	2014
	Interest Expenses	2,513.86	2,120.39
	Other Borrowing Costs	674.02	515.80
	Total	3,187.88	2,636.20



(Rupees in '000)

24	Depreciation & Amortization Expense	Year Ended 31st March	
		2015	2014
	Depreciation for the Year	3,296.71	4,275.41
	Total	3,296.71	4,275.41

(Rupees in '000)

25	Manufacturing Expenses	Year Ended 31st March	
		2015	2014
	Consumption of Stores, Spares, Consumables, Packing Materials etc.	18,696.42	17,469.18
	Job Work Charges	11,070.52	11,222.52
	Production Overheads	1,331.56	1,181.87
	Power and Fuel	20,550.95	18,183.28
	Rates, Taxes and Water Charges	1,003.07	848.92
	<u>Repairs and Maintenance:</u>		
	- Plant & Machinery	1,310.42	1,120.19
	- Building	74.85	2.85
	Excise Duty variation on Opening / Closing Stock	1,075.77	142.57
	Insurance Charges	145.98	179.43
	Travelling Expenses	3,212.29	2,661.54
	Freight Charges	1,641.49	1,119.44
	Selling & Distribution cost	711.35	403.77
	Net Foreign Currency Loss/Gains	438.74	-
	Lease Rent	2,097.65	-
	Penalty	124.72	-
	Miscellaneous Expenses	1,438.66	1,466.07
	Excise Duty Paid in Excise Case	-	2,098.98
	Provision for Doubtful Debts	121.76	287.20
	Sundry Balance Written Off	-	56.01
	<u>Remuneration to Auditors:</u>		
	- For Audit Fees	285.00	285.00
	- For Taxation Matters	50.00	50.00
	- For Company law matters,	-	22.00
	- For Reimbursement of Expenses	3.70	1.29
	Legal & Professional Fees	7,546.50	7,411.67
	Total	72,931.40	66,213.78



Note 10 : Fixed Assets

(Rupees in '000)

Tangible Assets	Freehold Land	Building	Plant & Machinerics	Furniture & Fixtures	Vehicles	Computers	Equipments	Total
Gross Block								
As at 1st April, 2013	10,945.43	28,181.40	252,631.42	5,619.35	612.20	4,173.44	-	302,163.2
Additions	-	-	2,512.39	107.74	-	-	-	2,620.1
Disposals	-	-	-	-	-	48.55	-	48.5
As at 31st March, 2014	10,945.43	28,181.40	255,143.80	5,727.09	612.20	4,124.89	-	304,734.8
Additions	-	-	101,557.81	771.82	1,625.30	113.44	185.57	104,253.9
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2015	10,945.43	28,181.40	356,701.62	6,498.90	2,237.50	4,238.33	185.57	408,988.7
Accumulated Depreciation								
As at 1st April, 2013	-	11,341.15	246,482.63	4,762.10	597.28	3,957.71	-	267,140.8
Charge for the Year	-	983.30	2,600.94	264.55	14.92	109.43	-	3,973.1
On Disposals	-	-	-	-	-	48.55	-	48.5
As at 31st March, 2014	-	12,324.45	249,083.57	5,026.65	612.20	4,018.60	-	271,065.4
Charge for the Year	-	1,053.95	1,852.80	165.35	47.50	66.82	4.12	3,190.5
Adjusted with Surplus in Statement of Profit & Loss	-	-	-	47.88	-	-	-	47.8
On Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2015	-	13,378.40	250,936.37	5,239.88	659.70	4,085.41	4.12	274,303.8
Net Block								
As at 31st March, 2014	10,945.43	15,856.95	6,060.23	700.44	0.00	106.30	-	33,669.3
As at 31st March, 2015	10,945.43	14,803.00	105,765.24	1,259.02	1,577.80	152.92	181.46	134,684.8

Note :

10 (a) Depreciation of Rs. 47.88 (in '000) on account of assets, whose useful life is already exhausted on April 1st, 2014 has been adjusted against Surplus in Statement of Profit & Loss pursuant adoption of estimated useful life of fixed assets as stipulated by Schedule II of Companies Act, 2013.

(Rupees in '000)

Intangible Assets	Computer Software	Total
Gross Block		
As at 1st April, 2013	1,481.32	1,481.32
Additions	-	-
Disposal	-	-
As at 31st March, 2014	1,481.32	1,481.32
Additions	97.57	97.57
Disposal	-	-
As at 31st March, 2015	1,578.89	1,578.89
Accumulated Depreciation		
As at 1st April, 2013	743.37	743.37
Charge for the Year	302.27	302.27
On Disposals	-	-
As at 31st March, 2014	1,045.64	1,045.64
Charge for the Year	106.17	106.17
On Disposals	-	-
As at 31st March, 2015	1,151.81	1,151.81
Net Block		
As at 31st March, 2014	435.68	435.68
As at 31st March, 2015	427.08	427.08

Capital Work-in Progress

(Rupees in '000)

Particulars	Opening	Additions	Deductions	Closing
As at 31st March, 2014	-	376.67	-	376.67
As at 31st March, 2015	376.67	130,406.57	93,159.08	37,624.16



Note 1: Statement of Significant Accounting Policies**a) Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India ("GAAP"), and comply with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) Revenue Recognition

Income from sale of goods is recognized upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

Income from services is recognized when services are provided and there is no uncertainty as to its ultimate collectability.

Sales are net of returns, trade discounts, and allowances. Sales excludes excise duty and sales tax. Export incentives are accounted on accrual basis.

Interest Income is generally recognized on time proportion method.

Other incomes are recognized on accrual basis.

d) Fixed Assets**Tangible Assets**

Fixed assets are stated at acquisition cost less accumulated depreciation and impairment losses if any. Cost of acquisition is inclusive of duties, taxes, freight and other directly attributable costs incurred to bring the assets to its working condition for intended use and are net of CENVAT credits as applicable. Borrowing cost directly attributable to acquisition of these fixed assets which necessarily take a substantial period of time to get ready for their intended use is capitalised.

Intangible Assets

Fixed assets are stated at acquisition cost less accumulated depreciation and impairment losses if any.

Capital Work-in-Progress

Capital Work-In-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Advances given towards the acquisition of fixed assets are shown separately as capital advances under head long term loans & advances.

e) Depreciation**Tangible Assets**

Depreciation is provided on a pro-rata basis on the straight-line method at the rates prescribed under Schedule II of the Companies Act, 2013 with the exception of the following:

- Tools are depreciated over 5 years based on the technical evaluation of useful life done by the management.

Intangible Assets

Intangible Assets are being amortized on Straight Line Method (SLM) as per Accounting Standard 26 "Intangible Assets".

f) Inventories

Raw materials, stores, spares and components are stated cost or net realizable value whichever is lower. Cost includes freight, taxes and duties as applicable but excludes duties and taxes that are subsequently recoverable from tax authorities. Works-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes material cost and applicable overheads. Cost is determined on weighted average cost method.

g) Foreign Currency Transactions

i. Foreign exchange transactions are recorded at the rate prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the statement of profit and loss.

ii. Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the statement of profit & loss.

iii. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

h) Employee Benefits

Liability is provided for retirement benefits for provident fund, gratuity and leave encashment in respect of all eligible employees.

Contributions under the defined contribution schemes are charged to revenue. The liability in respect of defined benefit schemes like gratuity and leave encashment is provided in the accounts on the basis of actuarial valuations as at the year end.



- i) **Borrowing Costs**
Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expense in the period in which the same are incurred.
- j) **Taxation**
Tax expenses are the aggregate of current tax and deferred tax charges are credited in the statement of profit and loss for the year.
- i. **Current Tax**
The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.
- ii. **Deferred Tax**
Deferred tax charges or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates 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 realized in future, however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are reviewed at each balance sheet date.
- iii. **Minimum Alternate Tax (MAT)**
In case the Company is liable to pay income tax under provision of Minimum Alternate Tax u/s. 115JB of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognised as asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognised in accordance with the Guidance Note on accounting treatment in respect of Minimum Alternate Tax issued by The Institute of Chartered Accountants of India.
- k) **Impairment of Assets**
The Company evaluates all its assets for assessing any impairment and accordingly recognizes the impairment, wherever applicable, as provided in Accounting Standard 28, "Impairment of Assets".
- l) **Provisions, Contingent Liabilities and Contingent Assets**
- i. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and the amount of which can be reliably estimated.
- ii. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future event not wholly within the control of the Company.
- iii. Contingent assets are neither recognized nor disclosed in the financial statements.
- iv. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.
- m) **Miscellaneous Expenditures**
Preliminary expenditures are fully charged off in the year in which they are incurred.



MMG INDIA PRIVATE LIMITED
Notes to the Financial Statements for the Year Ended 31st March, 2015

26 **Contingent Liabilities:**

Claims against the Company not acknowledged as debts: (Excluding interest and penalty on the respective amount if any arrived upon the final outcome)

1. Disputed ESIC Demands Rs. 89.69 ('000) ((Previous year Rs. 89.69 ('000))
2. Disputed Sales Tax Demands Rs. 224.82 ('000) ((Previous year Rs. 224.82 ('000))
3. Sales Tax Liability (On account of pending 'C' forms) Rs. 4800.74 ('000) (Previous year Rs. 5040.26 ('000)
4. TDS Liability (on account various discrepancies) Rs.863.31 ('000) (Previous year Rs. Nil ('000))

27 **Capital Commitments**

Particulars	(Rupees in '000)	
	As at 31st March	
	2015	2014
Estimated amounts of Capital Expenditure Commitments	3,641.56	39,630.51

28 **Transfer Pricing**

As per the transfer pricing norms introduced in India with effect from April 1, 2001, the Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a Transfer pricing study for the current year. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

29 Various Debit and Credit balances are subject to confirmations/reconciliation and consequent adjustments, if any. The Company is of the view that reconciliation(s), if any, arising out of final settlement of accounts with these parties is not likely to have any material impact on the accounts. The Current Assets, Loan & Advances are stated in the Balance Sheet at the amounts which are at least realizable in ordinary course of business.

30 **Earnings in Foreign Exchange**

Particulars	(Rupees in '000)	
	As at 31st March	
	2015	2014
Sale of Goods (Net)	54,445.67	52,268.93
Total	54,445.67	52,268.93

31 **Expenditure in Foreign Currency**

Particulars	(Rupees in '000)	
	As at 31st March	
	2015	2014
Traveling & Other Expenses	317.69	185.84
Capital Goods	77,421.38	225.32
Total	77,739.08	411.15

32 **CIF Value of Imports**

Particulars	(Rupees in '000)	
	As at 31st March	
	2015	2014
Raw Materials	40,325.92	27,215.17
Stores & Spares	366.82	1,326.31
Capital Goods	77,421.38	225.32
Total	118,114.13	28,766.79

33 **Earnings Per Share**

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

Particulars	(Rupees in '000 Unless Specified)	
	2014-15	2013-14
Profit/(Loss) After Tax Attributable to Equity Shareholders (A)	(5,067.60)	3,211.75
Weighted Average Number of Equity Shares (B)	13,865,870	13,865,870
Basic & Diluted Earnings Per Share (A/B) (Rs.)	(0.37)	0.23
Nominal Value Per Share (Rs.)	10.00	10.00

34 **Related Party Disclosures**

(A) **Names of the related parties and the nature of the relationship:**

Holding Company:
Delta Magnets Limited

Key Management Personnel:

Dr. Ram H. Shroff - Director
Mr. Abhilash Sunny - Whole Time Director (w.e.f. 23rd March, 2015) & CFO (w.e.f. 30th January, 2015)

Other Related Parties, Where Common Control Exists:

Magdev Limited, UK

(B) **Transactions with related parties during the year:**

(Rupees in '000)



Particulars	Holding Company/Key Management Personnel		Other Related Party Where Common Control Exists		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sale of Goods:						
Magdev Limited, UK	-	-	12,767.26	18,290.42	12,767.26	18,290.42
Delta Magnets Limited	30.00	35.74	-	-	30.00	35.74
Total	30.00	35.74	12,767.26	18,290.42	12,797.26	18,326.16
Reimbursement of Expenses:						
Magdev Limited, UK	-	-	-	514.51	-	514.51
Total	-	-	-	514.51	-	514.51
Purchase of Fixed Assets:						
Magdev Limited, UK	-	-	-	225.32	-	225.32
Delta Magnets Limited	17.19	-	-	-	17.19	-
Total	17.19	-	-	225.32	17.19	225.32
Purchase of Services:						
Delta Magnets Limited	5,400.00	5,400.00	-	-	5,400.00	5,400.00
Total	5,400.00	5,400.00	-	-	5,400.00	5,400.00
Rendering of Services:						
Magdev Limited, UK	-	-	-	165.43	-	165.43
Total	-	-	-	165.43	-	165.43
ICD/Loan Given:						
Delta Magnets Limited	-	1,200.00	-	-	-	1,200.00
Total	-	1,200.00	-	-	-	1,200.00
ICD/Loan Received:						
Delta Magnets Limited	8,870.00	1,700.00	-	-	8,870.00	1,700.00
Total	8,870.00	1,700.00	-	-	8,870.00	1,700.00
Advance Received from Customer:						
Magdev Limited, UK	-	-	3,635.91	1,997.00	3,635.91	1,997.00
Total	-	-	3,635.91	1,997.00	3,635.91	1,997.00
Rent Paid:						
Delta Magnets Limited	1,740.00	-	-	-	1,740.00	-
Total	1,740.00	-	-	-	1,740.00	-
Interest on ICD Received:						
Delta Magnets Limited	17.15	-	-	-	17.15	-
Total	17.15	-	-	-	17.15	-
Deposit Given:						
Delta Magnets Limited	6,612.00	-	-	-	6,612.00	-
Total	6,612.00	-	-	-	6,612.00	-
Corporate Guarantee/Security Received:						
Delta Magnets Limited	180,100.00	-	-	-	180,100.00	-
Total	180,100.00	-	-	-	180,100.00	-
Closing Balance as on 31st March						
ICD/Loan:						
Delta Magnets Limited	8,870.00	-	-	-	8,870.00	-
Total	8,870.00	-	-	-	8,870.00	-
Trade Receivable:						
Magdev Limited, UK	-	-	-	741.54	-	741.54
Total	-	-	-	741.54	-	741.54
Advance Received from Customer:						
Magdev Limited, UK	-	-	5,632.91	1,997.00	5,632.91	1,997.00
Total	-	-	5,632.91	1,997.00	5,632.91	1,997.00
Other Payable:						
Delta Magnets Limited	5,919.99	-	-	-	5,919.99	-
Total	5,919.99	-	-	-	5,919.99	-
Trade Payable:						
Delta Magnets Limited	1,776.75	4,203.08	-	-	1,776.75	4,203.08
Total	1,776.75	4,203.08	-	-	1,776.75	4,203.08
Interest Payable:						
Delta Magnets Limited	15.44	-	-	-	15.44	-
Total	15.44	-	-	-	15.44	-
Corporate Guarantee/Security Received:						
Delta Magnets Limited	180,100.00	-	-	-	180,100.00	-
Total	180,100.00	-	-	-	180,100.00	-
Deposit Given:						
Delta Magnets Limited	6,612.00	-	-	-	6,612.00	-
Total	6,612.00	-	-	-	6,612.00	-

35 Particulars of goods manufactured during the reporting year (As certified by the management)

i) Consumption of Raw Materials

(Rupees in '000)

Particulars	2014-15	2013-14
Ferrite Materials	35,622.79	25,771.88
Others	671.17	267.62
Total	36,293.95	26,039.50

ii) Value of Imported and Indigenous Raw Material, Stores, Spares and Components Consumed

(Rupees in '000)

Raw Material	2014-15		2013-14	
	Amt.	%	Amt.	%
Imported	36,183.16	99.69%	25,987.42	99.80%
Indigenous	110.80	0.31%	52.08	0.20%
Total	36,293.95	100.00%	26,039.50	100.00%



(Rupees in '000)

Stores, Spares and Components	2014-15		2013-14	
	Amt.	%	Amt.	%
Imported	1,121.79	6.00%	698.77	4.00%
Indigenous	17,574.64	94.00%	16,770.41	96.00%
Total	18,696.43	100.00%	17,469.18	100.00%

iii) Details of Turnover and Inventory during the year (Figures in bracket pertain to previous year)

(Rupees in '000)

Finished Goods	Sales Gross	Closing Inventory	Opening Inventory
Soft Ferrite	131,367.38	25,803.43	19,182.27
	(117,649.55)	(19,182.27)	(14,987.70)

(Rupees in '000)

Work-in-Progress	Closing Inventory	Opening Inventory
Soft Ferrite	8,257.57	3,014.24
	(3,014.24)	(2,611.72)

36 Employees Benefits

Disclosure required as per AS - 15 are as under:

- i) The Company has recognized the expected liability arising out of the compensated absence and gratuity as at 31st March, 2015 based on actuarial valuation carried out using the Projected Credit Method.
- ii) The disclosure given below has been obtained from independent actuary. The other disclosures are made in accordance with AS - 15 (revised) pertaining to the Defined Benefit Plan are as given below:

(Rupees in '000)

Sr. No.	Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	(Unfunded)	(Funded)	(Unfunded)
		2014-15	2014-15	2013-14	2013-14
1	Assumptions:				
	Discount Rate	7.92%	7.92%	9.07%	9.07%
	Salary Escalation	6.00%	6.00%	6.00%	6.00%
2	Changes in Present Value of Obligations:				
	Present value of obligations as at beginning of year	12,363.45	1,507.97	11,714.54	1,632.09
	Interest Cost	1,121.37	136.77	937.16	130.57
	Current Service Cost	592.07	498.82	603.42	182.51
	Liability Transfer in	-	-	-	-
	Liability Transfer out	-	-	-	-
	Benefit Paid	-	(188.27)	(149.54)	(258.72)
	Actuarial (Gain) / Loss on obligations	1,253.33	107.67	(742.13)	(178.48)
	Present value of obligations as at end of year	15,330.21	2,062.97	12,363.45	1,507.97
3	Change in the Fair Value of Plan Assets:				
	Fair Value of Plan Assets at the beginning of the year	4,410.51	-	4,131.62	-
	Expected Return on Plan Assets	-	-	371.85	-
	Contributions by the Employer	-	-	-	-
	Benefit Paid	-	-	-	-
	Actuarial Gains/(Losses) on Plan Assets - Due to Experience	396.95	-	(92.96)	-
	Fair Value of Plan Assets at the End of the Period	4,807.45	-	4,410.51	-
4	Actual Return on Plan Assets:				
	Expected Return on Plan Assets	-	-	371.85	-
	Actuarial Gains/(Losses) on Plan Assets - Due to Experience	396.95	-	(92.96)	-
	Actual Return on Plan Assets	396.95	-	278.88	-
5	Amount Recognized in the Balance Sheet:				
	Liability at the end of the year	15,330.21	2,062.97	12,363.45	1,507.97
	Fair value of Plant Assets at the end of the year	4,807.45	-	4,410.51	-
	Difference	(10,522.76)	(2,062.97)	(7,952.94)	(1,507.97)
	Unrecognized Past Service Cost	-	-	-	-
	Unrecognized Transition Liability	-	-	-	-
	Amount recognized in the Balance Sheet	10,522.76	2,062.97	7,952.94	1,507.97
6	Expenses recognized in the Statement of Profit and Loss:				
	Current Service Cost	592.07	498.82	603.42	182.51
	Interest Cost	1,121.37	136.77	937.16	130.57
	Expected return on Plan assets	-	-	(371.85)	-
	Actuarial (Gain) or Loss	856.38	107.67	(649.17)	(178.48)
	Expenses recognized in the Statement of Profit and Loss	2,569.82	743.26	519.56	134.60
7	Balance Sheet Reconciliation:				
	Opening Net Liability	7,952.94	1,507.97	7,582.91	1,632.09
	Expenses as above	2,569.82	743.26	519.57	134.60
	Employer's Contribution	-	-	-	-
	Benefit Paid	-	(188.27)	(149.54)	(258.72)
	Closing Net Liability	10,522.76	2,062.97	7,952.94	1,507.97



(b) Under Defined Contribution Plan:

Particulars	(Rupees in '000)	
	2014-15	2013-14
Contribution to Provident Fund	2,368.06	1,928.17
Contribution to ESIC	147.03	33.32
Total	2,515.09	1,961.49

37 Operating Lease Expense:

The Company has non-cancelable operating lease expenses as follows:

Particulars	(Rupees in '000)	
	2014-15	2013-14
Lease Rent Paid during the Year	2,097.65	-
Total	2,097.65	-

The future minimum lease expense is as under:

Particulars	(Rupees in '000)	
	2014-15	2013-14
Up to 1 Year	6,731.17	-
1 Year to 5 Year	12,031.12	-
Above 5 Year	-	-
Total	18,762.30	-

General Terms of Lease Rentals:

1. Lease Rentals are charged on the basis of agreed terms.
2. Additional amount of applicable taxes will be paid on these rentals as per the applicable rates existing at the time of receipts and payments.

38 MAT Credit Entitlement

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

39 Segment Reporting

The Company is engaged in the business of Magnets which is being the only business of the Company and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

40 The Company has adopted estimated useful life of tangible fixed assets as stipulated by Schedule II to the Companies Act, 2013. On account of such change carried out, the depreciation for the current year is lower by Rs. 8.94 Lacs.

41 Previous Year Comparatives

The previous year's figures have been reworked, regrouped, rearranged, recasted and reclassified wherever necessary to conform to the current year's classifications.

For and behalf of the Board of Directors
MMG India Private Limited

(Director)

(WTD & CFO)

Mumbai: 11th May, 2015

