

**MMG INDIA PRIVATE LIMITED**  
**Audited Financial Statements for the Year Ended 31st March, 2016**

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

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of MMG INDIA PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **MMG INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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**

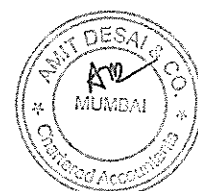
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

- (a) We draw attention to Note No. 25 (M) to the Financial Statements with regard to MAT Credit Entitlement of Rs.2,868 ('000), which is based on the judgment of the management.
- (b) We draw Attention to Note No. 25 (P) to the Financial Statements, with regards to Company becoming potentially sick under the Sick Industrial Companies (Special Provisions) Act, 1985, as on 31st March, 2016.

Our opinion is not qualified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (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 purposes of our audit;



- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- 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 under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25(A) on Contingent Liabilities to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (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

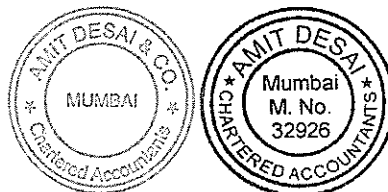
ICAI Firm Registration No. 130710W



**Amit N. Desai**

Partner

Membership No. 32926

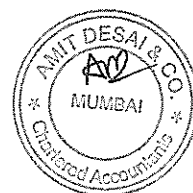


Mumbai: May 12, 2016

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **MMG INDIA PRIVATE LIMITED** on the financial statements for the year ended March 31, 2016]

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has not granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; hence the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii)
- (a) The Company is generally not regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, custom duty, cess and any other material statutory dues applicable to it.



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

Name of the Statute	Nature of Dues	Amount (Rs. in '000)	Period to which the amount relates	Due Date	Paid Amount (Rs. in '000)	Date of Payment
Income Tax Act, 1961	Tax Deducted at Source (TDS)	64.57	Financial Year 2015-16	August 7, 2015	64.57	April 2, 2016
Income Tax Act, 1961	Tax Deducted at Source (TDS)	79.75	Financial Year 2015-16	September 7, 2015	79.75	April 2, 2016
Income Tax Act, 1961	Tax Deducted at Source (TDS)	3.70	Financial Year 2015-16	September 7, 2015	3.70	Not Paid
Finance Act, 1994	Service Tax	102.33	Financial Year 2015-16	August 6, 2015	102.33	Not Paid
Finance Act, 1994	Service Tax	97.45	Financial Year 2015-16	September 6, 2015	97.45	Not Paid

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

Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	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 Employee State Insurance, 1948	ESIC	89.69	April 1998 to September 1998	Principal Labour Court, Chennai

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company did not have any outstanding dues to Government or debenture holders.



- (ix) According to the information and explanations given to us, the Company has not raised money by way of public issue offer. Term loans obtained by the Company have been applied for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, Company has not paid/provided any managerial remuneration to any of the directors; therefore paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards. Section 177 of the Act is not applicable to the Company.
- (xiv) As informed, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) Based on the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Amit Desai & Co**

Chartered Accountants

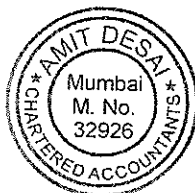
ICAI Firm Registration No. 130710W



**Amit N. Desai**

Partner

Membership No. 032926



Mumbai: May 12, 2016

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **MMG INDIA PRIVATE LIMITED** on the financial statements for the year ended March 31, 2016]

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **MMG INDIA PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

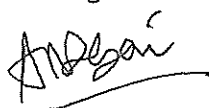
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

### **For Amit Desai & Co**

Chartered Accountants

ICAI Firm Registration No. 130710W



**Amit N. Desai**  
Partner

Membership No. 032926



Mumbai: May 12, 2016

**MMG INDIA PRIVATE LIMITED**  
**Balance Sheet As at 31st March, 2016**

(Rupees in '000)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
(a) Share Capital	2	138,658.70		138,658.70	
(b) Reserves & Surplus	3	(116,736.13)	21,922.57	(43,239.19)	95,419.51
<b>Non-Current Liabilities</b>					
(a) Long-Term Borrowings	4	74,190.77		64,490.64	
(b) Long-Term Provisions	5	3,162.99	77,353.76	10,368.65	74,859.29
<b>Current Liabilities</b>					
(a) Short-Term Borrowings	6	132,502.55		82,571.84	
(b) Trade Payables	7	28,082.80		16,199.90	
(c) Other Current Liabilities	8	48,353.31		44,124.47	
(d) Short-Term Provisions	9	1,265.98	210,204.64	2,217.08	145,113.29
<b>Total</b>			<b>309,480.97</b>		<b>315,392.10</b>
<b>II. ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Fixed assets	10				
(i) Tangible Assets		168,966.88		134,684.88	
(ii) Intangible Assets		304.99		427.08	
(iii) Capital Work in Progress		1,860.77		37,624.16	
		171,132.64		172,736.12	
(b) Deferred Tax Assets (Net)	11	3,102.09		13,174.72	
(c) Long-Term Loans and Advances	12	12,276.53	186,511.26	12,189.36	198,100.19
<b>Current Assets</b>					
(a) Inventories	13	40,179.71		44,902.84	
(b) Trade Receivables	14	50,933.40		35,073.99	
(c) Cash and Bank Balances	15	15,417.50		13,461.78	
(d) Short-Term Loans and Advances	16	15,942.30		22,985.23	
(e) Other Current Assets	17	496.79	122,969.71	868.06	117,291.91
<b>Total</b>			<b>309,480.97</b>		<b>315,392.10</b>
Significant Accounting Policies and Notes to the Financial Statements	1 to 25				

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



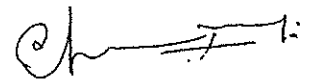
(Amit N. Desai)  
Partner  
Membership No. 032926



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



Ram Shroff  
(Director)  
DIN: 00004865



Abhilash Sunny  
(WTD & CFO)  
DIN: 01985382

Mumbai: 12th May, 2016

**MMG INDIA PRIVATE LIMITED**  
**Statement of Profit And Loss For The Year Ended 31st March, 2016**

(Rupees in '000)

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b>Income:</b>			
Revenue From Operations (Gross)	18	163,659.79	146,473.41
Less: Excise Duty		(9,802.01)	(4,714.20)
Revenue From Operations (Net)		153,857.78	141,759.21
Other Income	19	2,989.71	2,229.19
<b>Total Revenue</b>		<b>156,847.49</b>	<b>143,988.40</b>
<b>Expenses:</b>			
Cost of Raw Materials Consumed	20	41,546.53	36,293.95
Changes In Inventories of Finished Goods, Work-in-Progress	21	3,606.83	(11,864.49)
Employee Benefits Expense	22	44,681.88	45,542.38
Finance Costs	23	22,605.53	3,187.88
Depreciation & Amortization Expense	10	9,419.76	3,296.71
Other Expenses	24	69,319.88	72,931.40
<b>Total Expenses</b>		<b>191,180.41</b>	<b>149,387.83</b>
Profit/(Loss) Before Exceptional And Extraordinary Items And Tax		(34,332.92)	(5,399.44)
Exceptional Items		27,384.75	-
Profit/(Loss) Before Extraordinary Items and Tax		(61,717.66)	(5,399.44)
Extraordinary Items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>(61,717.66)</b>	<b>(5,399.44)</b>
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		10,072.63	(2,161.54)
<b>Profit / (Loss) After Tax</b>		<b>(71,790.29)</b>	<b>(3,237.89)</b>
Prior Period Items		1,706.65	1,829.71
<b>Profit/(Loss) For The Year</b>		<b>(73,496.94)</b>	<b>(5,067.60)</b>
Earning Per Equity Share: (Face Value of Rs.10/- Each)			
Basic & Diluted		(5.30)	(0.37)
Significant Accounting Policies and Notes to the Financial Statements	1 to 25		

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

*Amit Desai*

(Amit N. Desai)  
Partner

Membership No. 032926



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

*Ram Shroff*      *Abhilash Sunny*

Ram Shroff  
(Director)  
DIN: 00004865

Abhilash Sunny  
(WTD & CFO)  
DIN: 01985382

Mumbai: 12th May, 2016

**MMG INDIA PRIVATE LIMITED**  
**Cash Flow Statement For the Year Ended 31st March, 2016**

(Rupees in '000)

S. No.	Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before Tax and Extraordinary Items	(61,717.66)	(5,399.44)
	<b>Adjustments For :</b>		
	Depreciation & Amortization Expense	9,419.76	3,296.71
	Employee Benefits Expense	3,495.15	3,188.17
	Finance Costs	22,605.53	3,187.88
	Provision for Doubtful Debts/(Excess Written Back)	254.80	121.76
	Sundry Balance Written Off/(Excess Written Back)	(58.31)	(265.59)
	Prior Period Items	(1,706.65)	(1,829.71)
	Interest Income	(1,467.44)	(993.35)
	<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>(29,174.82)</b>	<b>1,306.45</b>
	<b>Adjustments For Working Capital :</b>		
	Trade and Other Receivables	(8,304.44)	(19,444.81)
	Inventories	4,723.13	(13,528.00)
	Trade Payables and Other Liabilities	4,459.82	36,770.75
	<b>Cash Generated From Operations</b>	<b>(28,296.31)</b>	<b>5,104.39</b>
	Taxes Paid	(425.93)	(399.72)
	<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>(28,722.24)</b>	<b>4,704.67</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets , Capital Work in Progress	(7,814.80)	(141,599.01)
	Investments in Bank Deposits / Proceeds on Maturity	(1,439.12)	(13,035.00)
	Interest income	1,467.44	993.35
	<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(7,786.48)</b>	<b>(153,640.66)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid	(22,605.53)	(3,187.88)
	Proceeding / (Repayment) of Short Term Borrowing	49,930.71	80,314.61
	Proceeding / (Repayment) of Long Term Borrowing	9,700.13	64,490.64
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>37,025.31</b>	<b>141,617.38</b>
	<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>516.60</b>	<b>(7,318.64)</b>
	<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>426.78</b>	<b>7,745.41</b>
	<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>943.38</b>	<b>426.78</b>
	<b>Cash and Cash Equivalents Includes:</b>		
	- Cash on Hand	83.40	27.46
	- Balances with Banks - In Current Accounts	327.08	399.33
	<b>Deposit Account</b>		
	- Fixed Deposit with maturity less than 3 months	532.91	-

**Notes:**

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

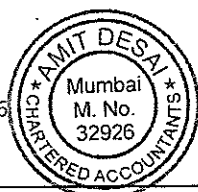
As Per Our Report of Even Date  
For Amit Desai & Co  
Chartered Accountants  
ICAI Firm Reg. No. 130710W

*Amit Desai*

(Amit N. Desai)

Partner

Membership No. 032926



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

*Ram Shroff*      *Abhilash Sunny*

Ram Shroff  
(Director)

DIN: 00004865

Abhilash Sunny  
(WTD & CFO)

DIN: 01985382

Mumbai: 12th May, 2016

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

The financial statements are prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention.

**b) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, 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 for the year. Difference between the actual results and estimates are recognized in the year in which the results are known/materialized. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

**c) Revenue Recognition**

Revenue is recognized only when significance risks and rewards incidental to ownership are transferred to the customers, it can be reliably measured and it is reasonable to expect ultimate collection. Sales are inclusive of excise duty, but exclusive of sales tax/vat/service tax collected.

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.

Interest income is generally recognized on time proportion method.

Other incomes including Export Incentives are recognized on accrual basis.

**d) Fixed Assets****Tangible Assets**

Tangible 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**

Intangible assets are stated at acquisition cost less accumulated amortization/depletion 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, components and consumables 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 realizable value. Cost includes material cost, cost of conversion and other applicable overheads incurred in bringing them to their present location and condition. In accordance with Accounting Standard - 2 "Valuation of Inventories", provision is made for excise duty on closing stock of finished goods. 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.

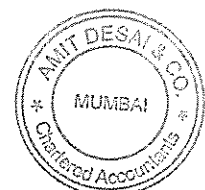
ii. Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the statement of profit & loss.

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 Forming Part of the Financial Statements for the Year Ended 31st March, 2016

2	Share Capital	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
	<b>Authorised:</b>				
	Equity Shares of Rs. 10/- Each	15,000,000	150,000.00	15,000,000	150,000.00
	<b>Total</b>	<b>15,000,000</b>	<b>150,000.00</b>	<b>15,000,000</b>	<b>150,000.00</b>
	<b>Issued, Subscribed And Fully Paid-Up:</b>				
	Equity Shares of Rs. 10/- Each	13,865,870	138,658.70	13,865,870	138,658.70
	<b>Total</b>	<b>13,865,870</b>	<b>138,658.70</b>	<b>13,865,870</b>	<b>138,658.70</b>

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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	-	-	-	-
<b>Outstanding at the End of the Year</b>	<b>13,865,870</b>	<b>138,658.70</b>	<b>13,865,870</b>	<b>138,658.70</b>

(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, 2016		As at 31st March, 2015	
	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

3	Reserves & Surplus	(Rupees in '000)	
		As at 31st March, 2016	As at 31st March, 2015
	<b>Surplus / (Deficit) in Statement of Profit &amp; Loss:</b>		
	Opening Balance	(43,239.19)	(38,123.70)
	(+) / (-) : Net Profit / (Net Loss) During the Year	(73,496.94)	(5,067.60)
	(+) / (-) : Depreciation Effect as per Schedule II of the Companies Act, 2013 [(Refer Note 10 (a))]	-	(47.88)
	Closing Balance	(116,736.13)	(43,239.19)
	<b>Total</b>	<b>(116,736.13)</b>	<b>(43,239.19)</b>

4	Long-Term Borrowings	(Rupees in '000)	
		As at 31st March, 2016	As at 31st March, 2015
	<b>Secured Borrowings:</b>		
	-From a Bank (Outstanding balance as at Balance sheet date carry interest @ 14.15% p.a. (Floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule at monthly rests. Installment started from July, 2015. For details of securities refer note 4 (a))	73,501.05	63,600.24
	-From a Financial Institution (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)	689.72	890.40
	<b>Total</b>	<b>74,190.77</b>	<b>64,490.64</b>

**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.

5	Long Term Provisions	(Rupees in '000)	
		As at 31st March, 2016	As at 31st March, 2015
	<b>Provision for Employee Benefits:</b>		
	Gratuity (Funded)	1,730.26	8,952.41
	Leave Encashment (Unfunded)	1,432.73	1,416.24
	<b>Total</b>	<b>3,162.99</b>	<b>10,368.65</b>



**MMG INDIA PRIVATE LIMITED**

Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2016

(Rupees in '000)			
6	Short Term Borrowings	As at 31st March, 2016	As at 31st March, 2015
	<u>Loans Repayable on Demand</u>		
	<u>From Banks</u>		
	Bank - Cash Credit [Repayable on demand and carry interest @ 14.15% p.a. (Floating). For details of securities refer note 4 (a)]	16,945.79	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))	69,986.75	58,790.84
	<u>Unsecured Loan</u>	-	
	Inter Corporate Deposit (Repayable on demand and carry interest @9.00% p.a.)	45,570.00	8,870.00
	<b>Total</b>	<b>132,502.55</b>	<b>82,571.84</b>

(Rupees in '000)			
7	Trade Payables	As at 31st March, 2016	As at 31st March, 2015
	Micro, Small and Medium Enterprises	-	4,090.66
	Others	28,082.80	12,109.24
	<b>Total</b>	<b>28,082.80</b>	<b>16,199.90</b>

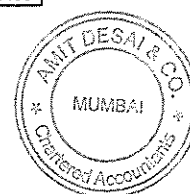
Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006:

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, 2016	As at 31st March, 2015	
The principal amount remaining unpaid at the end of the year.	-	4,090.66	
The interest amount remaining unpaid at the end of the year.	-	48.76	
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	
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	

(Rupees in '000)			
8	Other Current Liabilities	As at 31st March, 2016	As at 31st March, 2015
	Duties & Taxes	2,507.28	4,680.39
	Advance from Customers	26,857.97	10,084.76
	Payable to Employees	2,325.79	2,980.30
	Payable for Capital Assets	-	13,405.37
	Current Maturities of Long-Term Borrowings	9,115.79	5,968.50
	Interest Accrued & Due on Borrowings	2,735.29	15.44
	Interest Accrued But Not Due on Borrowings	1,344.57	1,005.48
	Bank Overdraft	84.39	-
	Other Current Liabilities	3,382.22	5,984.24
	<b>Total</b>	<b>48,353.31</b>	<b>44,124.47</b>

(Rupees in '000)			
9	Short Term Provisions	As at 31st March, 2016	As at 31st March, 2015
	<u>Provision for Employee Benefits:</u>		
	Gratuity (Funded)	989.18	1,570.35
	Leave Encashment (Unfunded)	276.80	646.72
	<b>Total</b>	<b>1,265.98</b>	<b>2,217.08</b>





**Note 10 : Fixed Assets**

(Rupees in '000)

Tangible Assets	Freehold Land	Building	Plant & Machineries	Furniture & Fixtures	Vehicles	Computers	Equipments	Total
<b>Gross Block</b>								
As at 1st April, 2014	10,945.43	28,181.40	255,143.80	5,727.09	612.20	4,124.89	-	304,734.81
Additions	-	-	101,557.81	771.82	1,625.30	113.44	-	104,253.94
Disposals	-	-	-	-	-	-	185.57	-
<b>As at 31st March, 2015</b>	<b>10,945.43</b>	<b>28,181.40</b>	<b>356,701.62</b>	<b>6,498.90</b>	<b>2,237.50</b>	<b>4,238.33</b>	<b>185.57</b>	<b>408,988.77</b>
Additions	-	-	42,705.35	118.68	-	182.73	571.42	43,578.18
Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	(1.49)	(1.49)
<b>As at 31st March, 2016</b>	<b>10,945.43</b>	<b>28,181.40</b>	<b>399,406.97</b>	<b>6,617.58</b>	<b>2,237.50</b>	<b>4,421.07</b>	<b>758.49</b>	<b>452,568.43</b>
<b>Accumulated Depreciation</b>								
As at 1st April, 2014	-	12,324.45	249,083.57	5,026.65	612.20	4,018.60	-	271,065.46
Charge for the Year	-	1,053.95	1,852.80	165.35	47.50	66.82	4.12	3,190.54
Adjusted with Surplus in Statement of Profit & Loss	-	-	-	47.88	-	-	-	47.88
On Disposals	-	-	-	-	-	-	-	-
<b>As at 31st March, 2015</b>	<b>-</b>	<b>13,378.40</b>	<b>250,936.37</b>	<b>5,239.88</b>	<b>659.70</b>	<b>4,085.41</b>	<b>4.12</b>	<b>274,303.88</b>
Charge for the Year	-	1,053.95	7,748.82	191.69	193.00	92.11	18.10	9,297.67
On Disposals	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>-</b>	<b>14,432.35</b>	<b>258,685.19</b>	<b>5,431.57</b>	<b>852.70</b>	<b>4,177.52</b>	<b>22.22</b>	<b>283,601.55</b>
<b>Net Block</b>								
As at 31st March, 2015	10,945.43	14,803.00	105,765.24	1,259.02	1,577.80	152.92	181.46	134,684.88
As at 31st March, 2016	10,945.43	13,749.05	140,721.78	1,186.01	1,384.80	243.55	736.27	168,966.88

**Note :**

10 (a) Depreciation of Rs. Nil [P.Y. Rs. 47.88 ('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 to adoption of estimated useful life of fixed assets as stipulated by Schedule II of Companies Act, 2013.

Intangible Assets	(Rupees in '000)	
	Computer Software	Total
<b>Gross Block</b>		
As at 1st April, 2014	1,481.32	1,481.32
Additions	97.57	97.57
Disposal	-	-
<b>As at 31st March, 2015</b>	<b>1,578.89</b>	<b>1,578.89</b>
Additions	-	-
Disposal	-	-
<b>As at 31st March, 2016</b>	<b>1,578.89</b>	<b>1,578.89</b>
<b>Accumulated Depreciation</b>		
As at 1st April, 2014	1,045.64	1,045.64
Charge for the Year	106.17	106.17
On Disposals	-	-
<b>As at 31st March, 2015</b>	<b>1,151.81</b>	<b>1,151.81</b>
Charge for the Year	122.09	122.09
On Disposals	-	-
<b>As at 31st March, 2016</b>	<b>1,273.90</b>	<b>1,273.90</b>
<b>Net Block</b>		
As at 31st March, 2015	427.08	427.08
As at 31st March, 2016	304.99	304.99

**Capital Work-in Progress**

(Rupees in '000)

Particulars	Opening	Additions	Deductions	Closing
As at 31st March, 2015	376.67	130,406.57	93,159.08	37,624.16
As at 31st March, 2016	37,624.16	1,860.77	37,624.16	1,860.77



**MMG INDIA PRIVATE LIMITED**

Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2016

**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, 2016 are as follows:

		(Rupees in '000)	
Net Deferred Tax Liabilities / (Assets)		As at 31st March, 2016	As at 31st March, 2015
<u>Deferred Tax Liability arising on account of:</u>			
Difference between Book and Tax Depreciation		14,876.85	4,804.22
	Total (A)	14,876.85	4,804.22
<u>Deferred Tax Asset arising on account of:</u>			
Business Loss & Expenses Disallowed under the Income Tax Act, 1961		17,978.94	17,978.94
	Total (B)	17,978.94	17,978.94
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>(A - B)</b>	<b>(3,102.09)</b>	<b>(13,174.72)</b>

		(Rupees in '000)	
12	Long-Term Loans & Advances	As at 31st March, 2016	As at 31st March, 2015
	<u>Security Deposits (Unsecured, Considered Good)</u>		
	With Public Bodies	2,796.53	2,709.36
	With Others	6,612.00	6,612.00
	Mat Credit Entitlement	2,868.00	2,868.00
	<b>Total</b>	<b>12,276.53</b>	<b>12,189.36</b>

		(Rupees in '000)	
13	Inventories	As at 31st March, 2016	As at 31st March, 2015
	Raw Materials	8,018.65	8,183.88
	Work-in-Progress	4,986.63	8,257.57
	Finished Goods	25,467.54	25,803.43
	Stores and Spares	1,706.89	2,657.96
	<b>Total</b>	<b>40,179.71</b>	<b>44,902.84</b>

		(Rupees in '000)	
14	Trade Receivables (Unsecured, Unless Otherwise Stated)	As at 31st March, 2016	As at 31st March, 2015
	<u>Trade Receivables Outstanding for a period exceeding six months from the date they were due for payment:</u>		
	Considered Good	2,642.12	2,288.19
	Considered Doubtful	1,192.13	937.33
	<u>Other Trade Receivables:</u>		
	Considered Good	48,291.29	32,785.81
	Less: Provision for Doubtful Debts	(1,192.13)	(937.33)
	<b>Total</b>	<b>50,933.40</b>	<b>35,073.99</b>

**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)	
15	Cash and Bank Balance	As at 31st March, 2016	As at 31st March, 2015
	<u>Cash and Cash Equivalents:</u>		
	Balances with Banks in Current Accounts	327.08	399.33
	Cash on Hand	83.40	27.46
	Fixed Deposits with maturity less than 3 months	532.91	-
	<u>Other Bank Balance</u>		
	Bank Deposits		
	-Fixed Deposits with maturity more than 3 months but less than 12 months	14,474.12	13,035.00
	<b>Total</b>	<b>15,417.50</b>	<b>13,461.78</b>



**MMG INDIA PRIVATE LIMITED**

Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2016

(Rupees in '000)

16	Short Term Loans and Advances (Unsecured, Considered Good Unless Otherwise Stated)	As at 31st March, 2016	As at 31st March, 2015
	<b>Other Loans and Advances:</b>		
	Balance with Statutory Authorities	11,152.72	20,042.11
	Advance Tax (Net of Provision for Taxes)	1,998.31	1,572.38
	Security Deposit	62.49	20.00
	Advance to Employees	111.89	414.34
	Advances to Suppliers	2,424.89	557.37
	Prepaid Expenses	191.99	379.03
	<b>Total</b>	<b>15,942.30</b>	<b>22,985.23</b>

(Rupees in '000)

17	Other Current Assets	As at 31st March, 2016	As at 31st March, 2015
	Interest accrued on Fixed Deposits	318.88	545.40
	Interest Receivable on EB Deposit	164.55	284.74
	Other Receivable	13.36	37.92
	<b>Total</b>	<b>496.79</b>	<b>868.06</b>



**MMG INDIA PRIVATE LIMITED**  
**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2016**

(Rupees in '000)

18	Revenue From Operations (Gross)	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Sale of Products	153,199.01	131,325.58
	Sale of Services	10,460.78	15,147.84
	<b>Total</b>	<b>163,659.79</b>	<b>146,473.41</b>

(Rupees in '000)

19	Other Income	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Interest Income	1,467.44	993.35
	Duty Draw Back Income	667.65	962.26
	Excess Provision Written Back	429.66	-
	Other Non-Operating Income	366.65	7.99
	Sundry Balance Written Back	58.31	265.59
	<b>Total</b>	<b>2,989.71</b>	<b>2,229.19</b>

(Rupees in '000)

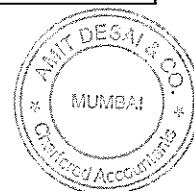
20	Cost of Materials Consumed	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Opening Stocks	8,183.88	6,344.27
	Add: Purchases	41,381.30	38,133.56
		49,565.18	44,477.83
	Less: Closing Stocks	(8,018.65)	(8,183.88)
	<b>Total</b>	<b>41,546.53</b>	<b>36,293.95</b>

(Rupees in '000)

21	Change in Stock of Finished Goods & Work-in-Progress	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Stocks At the End		
	Finished Goods	25,467.54	25,803.43
	Work-in-Progress	4,986.63	8,257.57
		30,454.17	34,061.00
	Stocks At the Beginning		
	Finished Goods	25,803.43	19,182.27
	Work-in-Progress	8,257.57	3,014.24
		34,061.00	22,196.51
	<b>Total</b>	<b>3,606.83</b>	<b>(11,864.49)</b>
	<b>(B) - (A)</b>		

(Rupees in '000)

22	Employee Benefits Expense	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Salaries and Wages	36,739.27	36,841.72
	Contribution to Provident and Other Funds	2,243.84	2,772.31
	Contribution to Gratuity Fund and Leave Encashment	3,495.15	3,188.17
	Staff Welfare Expenses	2,203.62	2,740.18
	<b>Total</b>	<b>44,681.88</b>	<b>45,542.38</b>



**MMG INDIA PRIVATE LIMITED**  
**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2016**

(Rupees in '000)

23	Finance Costs	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Interest Expenses	20,409.69	2,513.86
	Other Borrowing Costs	2,195.83	674.02
	<b>Total</b>	<b>22,605.53</b>	<b>3,187.88</b>

(Rupees in '000)

24	Other Expenses	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Consumption of Stores, Spares, Consumables, Packing Materials etc.	16,828.78	18,696.42
	Job Work Charges	6,673.58	11,070.52
	Production Over Head	824.06	1,331.56
	Power and Fuel	22,526.47	20,550.95
	Rates, Taxes and Water Charges	936.91	1,003.07
	<u>Repairs and Maintenance:</u>		
	- Plant & Machinery	2,010.16	1,310.42
	- Building	34.28	74.85
	Excise Duty variation on Opening / Closing Stock	6.35	1,075.77
	Insurance Charges	166.74	145.98
	Travelling and Conveyance Expenses	3,947.00	3,212.29
	Freight Charges	3,383.39	1,641.49
	Selling & Distribution cost	194.45	711.35
	Net Foreign Currency Loss/Gains	1,091.98	438.74
	Rent	5,950.36	2,097.65
	Penalty	-	124.72
	Miscellaneous Expenses	1,914.56	1,438.66
	Provision for Doubtful Debts	254.80	121.76
	<u>Remuneration to Auditors:</u>		
	- For Audit Fees	5.00	285.00
	- For Taxation Matters	-	50.00
	- For Company Law Matters	-	-
	- For Reimbursement of Expenses	-	3.70
	Legal & Professional Fees	2,571.01	7,546.50
	<b>Total</b>	<b>69,319.88</b>	<b>72,931.40</b>



A. 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. 5187.82 ('000) ((Previous year Rs. 4800.74 ('000))
4. TDS Liability (on account various discrepancies) Rs.1,335.96 ('000) ((Previous year Rs.863.31 ('000))
5. Outstanding Letters of Credit Rs.3,418.21 ('000) ((Previous year Rs.3,091.13 ('000))

B. Capital Commitments

(Rupees in '000)

Particulars	As at 31st March	
	2016	2015
Estimated amounts of Capital Expenditure Commitments	-	3,641.56

C. 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.

D. 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.

E. Earnings in Foreign Exchange

(Rupees in '000)

Particulars	As at 31st March	
	2016	2015
Sale of Goods (Net)	36,179.70	54,445.67
<b>Total</b>	<b>36,179.70</b>	<b>54,445.67</b>

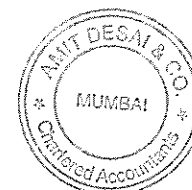
F. Expenditure in Foreign Currency

(Rupees in '000)

Particulars	As at 31st March	
	2016	2015
Traveling & Other Expenses	402.92	317.69
Capital Goods	1,205.92	77,421.38
Finance Costs	4,015.61	134.13
<b>Total</b>	<b>5,624.44</b>	<b>77,873.21</b>

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

Particulars	2015-16		2014-15	
	Foreign Currency	Rupees in '000	Foreign Currency	Rupees in '000
<b>Trade Payables</b>				
- Hedged by derivative or otherwise	-	-	-	-
- Not Hedged (USD)	68,640	4,553.09	227,737	14,254.24
- Not Hedged (JPY)	-	-	1,763,000	918.70
<b>Trade Receivables</b>				
- Hedged by derivative or otherwise	-	-	-	-
- Not Hedged (USD)	51,455	3,413.15	102,286	6,402.17
- Not Hedged (GBP)	13,443	1,278.26	26,284	2,430.18
- Not Hedged (EURO)	-	-	2,081	140.46
<b>Advance to Suppliers</b>				
- Hedged by derivative or otherwise	-	-	-	-
- Not Hedged (JPY)	3,660,800	2,162.07	-	-
<b>Advance from Customers</b>				
- Hedged by derivative or otherwise	-	-	-	-
- Not Hedged (EURO)	101	7.58	-	-
<b>Foreign Currency Loan Payable</b>				
- Hedged by derivative or otherwise	-	-	-	-
- Not Hedged (USD)	1,055,084	69,986.75	939,289	58,790.84
<b>Total</b>		<b>81,400.90</b>		<b>82,936.59</b>



**MMG INDIA PRIVATE LIMITED**

**Note 25 : Notes to the Financial Statements for The Year Ended 31st March, 2016**

G. CIF Value of Imports

(Rupees in '000)

Particulars	As at 31st March	
	2016	2015
Raw Materials	37,614.75	40,325.92
Stores & Spares	586.59	366.82
Capital Goods	1,205.92	77,421.38
<b>Total</b>	<b>39,407.26</b>	<b>118,114.13</b>

H. Earnings Per Share

In determining earnings per share, the Company considers the net profit/ (loss) 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 year.

(Rupees in '000 Unless Specified)

Particulars	2015-16	2014-15
Profit/(Loss) After Tax Attributable to Equity Shareholders (A)	(73,496.94)	(5,067.60)
Weighted Average Number of Equity Shares (B)	13,865,870	13,865,870
Basic & Diluted Earnings Per Share (A/B) (Rs.)	(5.30)	(0.37)
Nominal Value Per Share (Rs.)	10.00	10.00

I. Related Party Disclosures

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

Holding Company:

Delta Magnets Limited

Key Management Personnel (KMPs):

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



**MMG INDIA PRIVATE LIMITED**

**Note 25 : Notes to the Financial Statements for The Year Ended 31st March, 2016**

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

i) Consumption of Raw Materials

(Rupees in '000)

Particulars	2015-16	2014-15
Ferrite Materials	37,385.87	35,622.79
Others	4,160.65	671.17
<b>Total</b>	<b>41,546.53</b>	<b>36,293.95</b>

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

(Rupees in '000)

Raw Material	2015-16		2014-15	
	Amt.	%	Amt.	%
Imported	38,575.84	92.85%	36,183.16	99.69%
Indigenous	2,970.69	7.15%	110.80	0.31%
<b>Total</b>	<b>41,546.53</b>	<b>100.00%</b>	<b>36,293.95</b>	<b>100.00%</b>

(Rupees in '000)

Stores, Spares and Components	2015-16		2014-15	
	Amt.	%	Amt.	%
Imported	430.42	2.56%	1,121.79	6.00%
Indigenous	16,398.36	97.44%	17,574.64	94.00%
<b>Total</b>	<b>16,828.78</b>	<b>100.00%</b>	<b>18,696.42</b>	<b>100.00%</b>

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	153,199.01	25,467.54	25,803.43
	(131,325.58)	(25,803.43)	(19,182.27)

(Rupees in '000)

Work-in-Progress	Closing Inventory	Opening Inventory
Soft Ferrite	4,986.63	8,257.57
	(8,257.57)	(3,014.24)





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

(Rupees in '000)

Particulars	Holding Company		Other Related Party Where Common Control Exists		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Sale of Goods:</b>						
Magdev Limited, UK	-	-	13,745.62	12,767.26	13,745.62	12,767.26
Delta Magnets Limited	-	30.00	-	-	-	30.00
<b>Total</b>	-	30.00	13,745.62	12,767.26	13,745.62	12,797.26
<b>Job Work Income:</b>						
Delta Magnets Limited	1,453.21	-	-	-	1,453.21	-
<b>Total</b>	1,453.21	-	-	-	1,453.21	-
<b>Purchase of Fixed Assets:</b>						
Delta Magnets Limited	-	17.19	-	-	-	17.19
<b>Total</b>	-	17.19	-	-	-	17.19
<b>Purchase of Services:</b>						
Delta Magnets Limited	-	5,400.00	-	-	-	5,400.00
<b>Total</b>	-	5,400.00	-	-	-	5,400.00
<b>ICD/Loan Received:</b>						
Delta Magnets Limited	5,500.00	8,870.00	-	-	5,500.00	8,870.00
<b>Total</b>	5,500.00	8,870.00	-	-	5,500.00	8,870.00
<b>Advance Received from Customer:</b>						
Magdev Limited, UK	-	-	20,695.77	3,635.91	20,695.77	3,635.91
<b>Total</b>	-	-	20,695.77	3,635.91	20,695.77	3,635.91
<b>Rent Paid:</b>						
Delta Magnets Limited	3,915.00	1,740.00	-	-	3,915.00	1,740.00
<b>Total</b>	3,915.00	1,740.00	-	-	3,915.00	1,740.00
<b>Interest on ICD Received:</b>						
Delta Magnets Limited	1,173.43	17.15	-	-	1,173.43	17.15
<b>Total</b>	1,173.43	17.15	-	-	1,173.43	17.15
<b>Deposit Given:</b>						
Delta Magnets Limited	-	6,612.00	-	-	-	6,612.00
<b>Total</b>	-	6,612.00	-	-	-	6,612.00
<b>Corporate Guarantee/Security Received:</b>						
Delta Magnets Limited	10,700.00	180,100.00	-	-	10,700.00	180,100.00
<b>Total</b>	10,700.00	180,100.00	-	-	10,700.00	180,100.00
<b>Closing Balance as on 31st March</b>						
<b>ICD/Loan:</b>						
Delta Magnets Limited	14,370.00	8,870.00	-	-	14,370.00	8,870.00
<b>Total</b>	14,370.00	8,870.00	-	-	14,370.00	8,870.00
<b>Advance Received from Customer:</b>						
Magdev Limited, UK	-	-	26,328.67	5,632.91	26,328.67	5,632.91
<b>Total</b>	-	-	26,328.67	5,632.91	26,328.67	5,632.91
<b>Other Payable:</b>						
Delta Magnets Limited	3,382.22	5,919.99	-	-	3,382.22	5,919.99
<b>Total</b>	3,382.22	5,919.99	-	-	3,382.22	5,919.99
<b>Trade Payable:</b>						
Delta Magnets Limited	5,967.82	1,776.75	-	-	5,967.82	1,776.75
<b>Total</b>	5,967.82	1,776.75	-	-	5,967.82	1,776.75
<b>Interest Payable:</b>						
Delta Magnets Limited	1,071.53	15.44	-	-	1,071.53	15.44
<b>Total</b>	1,071.53	15.44	-	-	1,071.53	15.44
<b>Corporate Guarantee/Security Received:</b>						
Delta Magnets Limited	190,800.00	180,100.00	-	-	190,800.00	180,100.00
<b>Total</b>	190,800.00	180,100.00	-	-	190,800.00	180,100.00
<b>Deposit Given:</b>						
Delta Magnets Limited	6,612.00	6,612.00	-	-	6,612.00	6,612.00
<b>Total</b>	6,612.00	6,612.00	-	-	6,612.00	6,612.00



K. 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, 2016 based on actuarial valuation carried out using the Projected Unit 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:

Sr. No.	Particulars	(Rupees in '000)			
		Gratuity	Gratuity	Leave Encashment	Leave Encashment
		(Funded)	(Funded)	(Unfunded)	(Unfunded)
		2015-16	2014-15	2015-16	2014-15
1	<u>Assumptions :</u>				
	Discount Rate	7.86%	7.92%	7.86%	7.92%
	Salary Escalation	6.00%	6.00%	6.00%	6.00%
2	<u>Changes in Present Value of Obligations:</u>				
	Present value of obligations as at beginning of year	15,330.21	12,363.45	1,871.87	1,507.97
	Interest Cost	1,214.15	1,121.37	148.25	136.77
	Current Service Cost	674.92	592.07	165.59	498.82
	Liability Transfer in	-	-	-	-
	Liability Transfer out	-	-	-	-
	Benefit Paid	(13,438.91)	-	(1,638.50)	(188.27)
	Actuarial (Gain) / Loss on obligations	608.62	1,253.33	980.05	107.67
	Present value of obligations as at end of year	4,388.99	15,330.21	1,527.25	2,062.97
3	<u>Change in the Fair Value of Plan Assets:</u>				
	Fair Value of Plan Assets at the beginning of the year	4,807.45	4,410.51	-	-
	Expected Return on Plan Assets	380.75	-	-	-
	Contributions by the Employer	-	-	-	-
	Benefit Paid	(3,434.32)	-	-	-
	Actuarial Gains/(Losses) on Plan Assets	(84.32)	396.95	-	-
	Fair Value of Plan Assets at the End of the Period	1,669.56	4,807.45	-	-
4	<u>Actual Return on Plan Assets:</u>				
	Expected Return on Plan Assets	380.75	-	-	-
	Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(84.32)	396.95	-	-
	Actual Return on Plan Assets	296.43	396.95	-	-
5	<u>Amount Recognized in the Balance Sheet:</u>				
	Liability at the end of the year	(4,388.99)	(15,330.21)	(1,527.25)	(2,062.97)
	Fair value of Plan Assets at the end of the year	1,669.56	4,807.45	-	-
	Difference	(2,719.43)	(10,522.76)	(1,527.25)	(2,062.97)
	Unrecognized Past Service Cost	-	-	-	-
	Unrecognized Transition Liability	-	-	-	-
	Amount recognized in the Balance Sheet	(2,719.43)	(10,522.76)	(1,527.25)	(2,062.97)
6	<u>Expenses recognized in the Statement of Profit and Loss:</u>				
	Current Service Cost	674.92	592.07	165.59	498.82
	Interest Cost	833.40	1,121.37	148.25	136.77
	Expected return on Plan assets	-	-	-	-
	Actuarial (Gain) or Loss	692.94	856.38	980.05	107.67
	Expenses recognized in the Statement of Profit and Loss	2,201.26	2,569.82	1,293.89	743.26
7	<u>Balance Sheet Reconciliation:</u>				
	Opening Net Liability	10,522.76	7,952.94	1,871.87	1,507.97
	Expenses as above	2,201.26	2,569.82	1,293.89	743.26
	Employer's Contribution	-	-	-	-
	Benefit Paid	(10,004.59)	-	(1,638.50)	(188.27)
	Closing Net Liability	2,719.43	10,522.76	1,527.25	2,062.97

(b) Under Defined Contribution Plan:

Particulars	(Rupees in '000)	
	2015-16	2014-15
Contribution to Provident Fund	1,869.84	2,368.06
Contribution to ESIC	219.87	147.03
<b>Total</b>	<b>2,089.72</b>	<b>2,515.09</b>



**MMG INDIA PRIVATE LIMITED**  
**Note 25 : Notes to the Financial Statements for The Year Ended 31st March, 2016**

L. **Operating Lease Expense:**

The Company has lease expenses as follows:

Particulars	(Rupees in '000)	
	2015-16	2014-15
Lease Rent Paid during the Year	5,950.36	2,097.65
Total	5,950.36	2,097.65

M. **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.

N. **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'.

O. During the year, the Company has announced Voluntary Retirement Scheme (VRS) for its permanent workmen. The Company has incurred a total expenditure of Rs. 27,384.75 ('000) on the said scheme. In compliance with the provisions of the Accounting Standards -15 "Employees Benefits", the entire amount of Rs. 27,384.75 ('000) is charged to Statement of Profit and Loss under the head Exceptional items. During the year, the Company has announced Voluntary Retirement Scheme (VRS) for its permanent workmen. The Company has incurred a total expenditure of Rs. 27,384.75 ('000) on the said scheme. In compliance with the provisions of the Accounting Standards -15 "Employees Benefits", the entire amount of Rs. 27,384.75 ('000) is charged to Statement

P. During the year, the Company has become potentially sick and the Management is in process of chalking out the final plan to revive the Company financially in near future.

Q. **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.



Mumbai: 12th May, 2016

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

Ram Shroff  
(Director)  
DIN: 00004865

Abhilash Sunny  
(WTD & CFO)  
DIN: 01985382



## Phatak Joshi & Co.

Chartered Accountants

Office No. 1 to 4, Yashoda Heights, Near Mahalaxmi Temple,

Off. Untawadi Road, Lawate Nagar, Nashik - 422 002.

Tel : 0253 - 2313696 Fax : 0253 - 2579696

E-mail : mailtopjc@gmail.com, sankavs@sancharnet.in

### Review Report to MagDev Limited

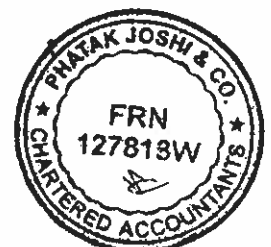
(formerly MMG MagDev Limited)

To the Board of Directors of MagDev Limited,

We have reviewed the accompanying balance sheet of MagDev Limited as at March 31, 2016, and related statement of profit and loss, and the cash flow statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

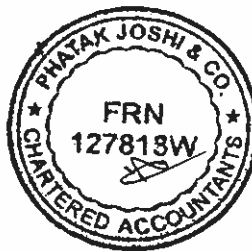
We conducted our review in accordance with the Revised Standard on Review Engagements (SRE) 2400, "Engagements to Review Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as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

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of MagDev Limited (UK) as at **March 31, 2016**, the Profit and Loss Account of the Company for the year ended on that date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statements dated **5<sup>th</sup> May, 2016** originally audited by M/s. Grant Thornton UK LLP, statutory auditors of the Company from UK & stated in Great Britain Pound ('GBP') currency.
2. The financial statements in Rupee currency ('INR') have been prepared by the Company's Management on the basis stated below and reformatted in accordance with the requirements of the Companies Act, 2013. The said financial statements have been approved by the Board of Directors.
  - a. All income and expenses at the average rate of exchange prevailing during the year.
  - b. Assets and Liabilities except share capital at the closing rate on the Balance Sheet date.
  - c. The resulting exchange difference in the Balance Sheet is accumulated in 'Currency Translation Reserve'.



3. In relation to the financial statements prepared by the management, the following procedures were performed by us:
  - a. Reviewing the translation of the audited financial statements from GBP into INR on the basis stated in the foregoing paragraph and
  - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 2013.
4. We report that the financial statements as audited in GBP by the statutory auditors, have been translated by the management of the company in INR on the basis stated in paragraph 2 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 2013.
5. The above procedures provides less assurance since it does not constitute an audit and accordingly, we do not express any opinion on the financial statements.
6. Nothing has come to our attention based on the review that causes us to believe that the Financial Statements do not give a true and fair view or are not presented fairly, in material respects, in accordance with the applicable Financial Reporting framework.
7. This report is issued solely for the purpose of consolidation by the holding company, Delta Magnets Limited and to comply with the provisions of the Companies Act, 2013.
8. The accounts have been prepared in accordance with significant accounting Policies & compliance of Accounting Standards issued by the Institute of Chartered Accountants of India.
9. The financial statements are audited by the qualified auditors of United Kingdom (UK). We have only translated, restated & converted the same as per the Indian GAAP on the basis of the inquiries, analytical procedures, information and Management Representation Letter (MRL) received by us from the company. As informed the financial statements have been prepared under historical cost convention & on accrual basis. The accounting policies have been consistently applied by the group unless otherwise stated.

Place: Nasik  
Date: 9<sup>th</sup> May, 2016



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

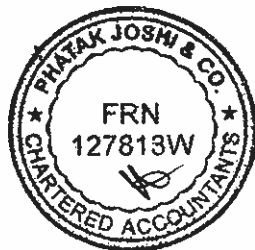
CA. Ajay R. Goklani  
Partner  
M.No. 144224

**MAGDEV LIMITED**  
**Balance Sheet as at 31st March, 2016**

Particulars	Note No.	Amount (Rs.)	
		As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A	5,50,25,610	5,50,25,610
(b) Reserves and Surplus	B	7,31,45,603	6,30,49,002
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	4,48,25,922	2,37,60,114
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	D	-	-
(b) Trade payables		3,99,29,253	3,14,86,383
(c) Other current liabilities	E	1,49,39,109	1,28,11,636
(d) Short-term provisions	F	-	-
<b>Total</b>		<b>22,78,65,498</b>	<b>18,61,32,745</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	G	6,36,28,614	6,23,77,592
(b) Deferred tax assets (net)	H	21,37,297	48,43,377
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	I	4,42,05,306	3,37,61,543
(c) Trade receivables	J	5,11,36,912	3,99,93,092
(d) Cash and cash equivalents	K	3,67,21,396	3,61,89,894
(e) Short-term loans and advances	L	3,00,35,973	89,67,245
(f) Other current assets	M	-	-
<b>Total</b>		<b>22,78,65,498</b>	<b>18,61,32,745</b>


For Phatak Joshi & Co  
Chartered Accountants  
FRN : 127813W

CA. Ajay R. Goklani  
M. No. 144224  
(Partner)  
Place: Nasik  
Date: 9th May, 2016



For MagDev Limited

  
(Director)  
DIN : JM

  
(Director)  
DIN : RS

**MAGDEV LIMITED**  
**STATEMENT OF PROFIT AND LOSS for the period 1.04.2015 to 31.03.2016**

Particulars	Note No	Amount (Rs.)	
		for the period from 1-4-2015 to 31-3-2016	for the period from 1-4-2014 to 31-3-2015
Revenue from operations	1	24,68,44,237	25,55,44,724
Other Income	2	5,16,617	(11,13,859)
<b>III. Total Revenue (I +II)</b>		<b>24,73,60,854</b>	<b>25,44,30,865</b>
<b>IV. Expenses:</b>			
Purchase of Stock-in-Trade		15,24,40,338	13,76,41,159
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3	(1,04,43,763)	74,92,269
Employee benefit expense	4	5,43,50,407	6,75,73,066
Financial costs	5	28,20,870	20,75,313
Depreciation and amortization expense	6	19,35,074	9,38,810
Other expenses	7 (a) (b)	3,37,29,541	2,90,62,850
<b>IV. Total Expenses</b>		<b>23,48,32,466</b>	<b>24,47,83,466</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,25,28,388	96,47,399
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,25,28,388	96,47,399
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>1,25,28,388</b>	<b>96,47,399</b>
X. Tax expense:			
(1) Current tax		4,31,471	-
(2) Deferred tax		28,04,489	24,96,396
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	92,92,428	71,51,004
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>92,92,428</b>	<b>71,51,004</b>
Balance brought forward		(16,81,06,571)	(17,52,57,574)
Balance carried forward		(15,88,14,142)	(16,81,06,571)
No. of Shares Outstanding at the end of the period		7,62,500	7,62,500
XVI. Earning per equity share:			
(1) Basic		12.19	9.38
(2) Diluted		12.19	9.38

Significant Accounting Policies and Notes forming Part of the Accounts

N

For Phatak Joshi & Co  
Chartered Accountants

For MagDev Limited

FRN : 127813W

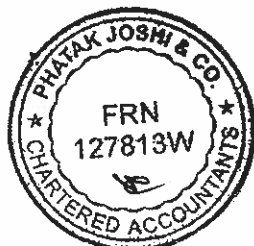
CA. Ajay B. Goklani

M. No. 144224

(Partner)

Place: Nasik

Date: 9th May, 2016



*[Signature]*  
(Director)

DIN : 319

*[Signature]*  
(Director)

DIN : 85

**MAGDEV LIMITED**

**Cash Flow Statement for the year ended 31st March 2016**

Amount (Rs.)

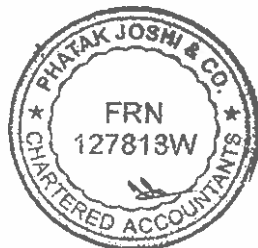
Sr. No.	Particulars	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
A	Cash flow from operating Activities				
	Net Profit from operations after tax	1,25,28,388		71,51,004	
	Depreciation for the year	19,35,074		9,38,810	
	Decrease in Deffered tax asset	27,06,080		30,83,099	
	Interest on Borrowings	17,27,647		13,42,016	
	Increase in Stock in hand	(1,04,43,763)		74,92,269	
	Decrease in Other current liabilities	21,27,474		(48,21,873)	
	Decrease in Trade receivables	(1,11,43,819)		86,21,290	
	Decrease in Trade payables	84,42,870		(10,88,945)	
	Increase in Other current Assets	-		(25,403)	
		-	78,79,951		2,26,92,266
<b>NET CASH FLOW FROM OPERATING ACTIVITES</b>			78,79,951		2,26,92,266
B	Cash flow from Investing Activities				
	Purchase of Fixed Assets	(31,86,095)		(42,14,298)	
	Reversal of depreciation on lease hold land	-	(31,86,095)	-	(42,14,298)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			(31,86,095)		(42,14,298)
C	Cash Flow from Financing Activities				
	Net Own Fund				
	Reserves & surplus - Foreign Currency translation reserve	8,04,172		47,17,043	
	Repayment of Long term Loans	2,10,65,808		(61,92,748)	
	Interest on Borrowings	(17,27,647)		(13,42,016)	
	Short term Loans	-	2,01,42,333		(28,17,721)
<b>NET CASH USED IN FINANCING ACTIVITES</b>			2,01,42,333		(28,17,721)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>			2,48,36,189		1,56,60,247
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>			3,61,89,894		2,05,29,648
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>			3,67,21,396		3,61,89,894

**NOTE -**  
1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our report of even date  
For Phatak Joshi & Co  
Chartered Accountants  
FRN : 127813W

For MagDev Limited

CA. Ajay R. Goklani  
M. No. 144224  
(Partner)  
Place: Nasik  
Date: 9th May, 2016



*[Signature]*  
(Director)  
DIN : JRI

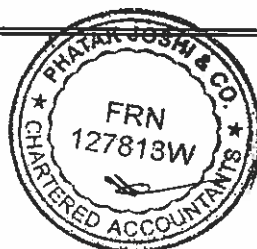
*[Signature]*  
(Director)  
DIN : RS



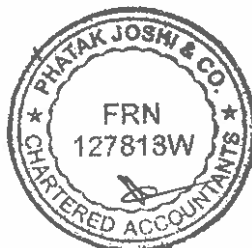
**MAGDEV LIMITED****Notes to Balance Sheet**

Amount (Rs.)

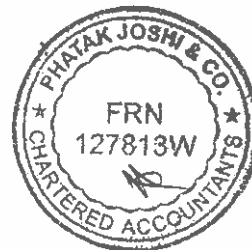
	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
<b>A Share Capital</b>		
(a) The number and amount of shares authorized;		
762500 Ordinary Shares of GBP 1/- Each	5,48,81,750	5,48,81,750
2500 Deferred Shares of GBP 1/- Each	1,43,860	1,43,860
<b>Total Authorised Capital</b>	<b>5,50,25,610</b>	<b>5,50,25,610</b>
<b>B Reserves and surplus.</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
(i) Reserves and Surplus shall be classified as:		
(a) Capital Redemption Reserve;		
Opening Balance	23,62,14,510	23,62,14,510
Addition/deletion during the year	-	-
Closing Balance	23,62,14,510	23,62,14,510
(b) Foreign Currency Transalation Reserve	(42,54,765)	(50,58,937)
(ii) Surplus (debit balance in surplus account).	(16,81,06,571)	(17,52,57,574)
Add: Profit /(loss) during the year	92,92,428	71,51,004
Closing Balance	(15,88,14,142)	(16,81,06,571)
<b>Total Reserves and surplus.</b>	<b>7,31,45,603</b>	<b>6,30,49,002</b>
<b>C Long term Boorowings</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
(a) Term loans		
☑from banks.	4,48,25,922	2,37,60,114
☑from other parties.	-	-
Secured		
<b>Total Long term Borrowings</b>	<b>4,48,25,922</b>	<b>2,37,60,114</b>
<b>D Short term Borrowings</b>		
<b>Total Short term Borrowings</b>	-	-
<b>E Other current liabilities</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
(i) Other payables (specify nature);		
Duties & Taxes	66,68,547	72,72,374
Other current liabilities	36,00,039	15,82,012
Current maturities of long term debt	46,70,523	39,57,249
<b>Total Other current liabilities</b>	<b>1,49,39,109</b>	<b>1,28,11,636</b>



	As at 31st March, 2016	As at 31st March, 2015	
<b>F</b>	<b>Short term provisions</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<hr/>			
<b>Total Short term Provisions</b>		-	-
<hr/>			
<b>G</b>	<b>Tangible Assets</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
(a)	Land.	2,60,87,396	2,60,87,396
(b)	Buildings.		
	Office building	3,13,88,908	3,19,29,035
(c)	Plant and Equipment.	28,71,641	8,21,857
(d)	Furniture and Fixtures.	3,39,929	1,88,707
(e)	Others (specify nature).		
	Computers	29,40,738	33,50,597
<hr/>			
<b>Total Tangible Assets</b>		<b>6,36,28,613</b>	<b>6,23,77,591</b>
<hr/>			
<b>H</b>	<b>Deferred tax assets (net)</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
	Deferred tax assets (net)	21,37,297	48,43,377
<hr/>			
<b>Deferred tax assets (net)</b>		<b>21,37,297</b>	<b>48,43,377</b>
<hr/>			
<b>I</b>	<b>Inventories</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
(a)	Raw materials;	-	-
(b)	Work-in-progress;	-	-
(c)	Finished goods;	-	-
(d)	Stock-in-trade (in respect of goods acquired for trading);	4,42,05,306	3,37,61,543
<hr/>			
<b>Total Inventories</b>		<b>4,42,05,306</b>	<b>3,37,61,543</b>
<hr/>			
<b>J</b>	<b>Trade Receivables</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
	Over Six Month - Considered Doubtful	2,00,359	1,91,929
	Unsecured considered doubtful outstanding for period less than six months	-	-
	Less: Provision for doubtful debts	(2,00,359)	(1,91,929)
	Others	5,11,36,912	3,99,93,092
<hr/>			
<b>Total Trade Receivables</b>		<b>5,11,36,912</b>	<b>3,99,93,092</b>
<hr/>			

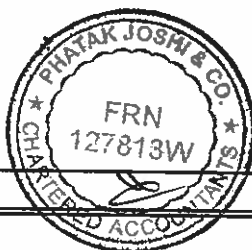


	As at 31st March, 2016	As at 31st March, 2015
<b>K</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>Cash and cash equivalents</b>		
(a) Balances with banks;		
Deposit Account - Sterling	1,23,37,454	2,08,17,311
Barclays Bank Account	1,53,73,037	1,12,90,469
Euro Dollar Account	14,17,240	11,09,252
Barclays Us Dollar Account	75,15,535	29,28,754
(b) Cash on hand;	78,130	44,109
<b>Cash and cash equivalents</b>	<b>3,67,21,396</b>	<b>3,61,89,894</b>
<b>L</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>Short-term loans and advances</b>		
Other Loans and Advances		
Advances to Suppliers (MMG)	2,69,63,884	56,32,906
Prepaid Expenses (Prepayments)	30,72,089	33,34,340
<b>Total Short-term loans and advances</b>	<b>3,00,35,973</b>	<b>89,67,245</b>
<b>M</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>Other current assets (specify nature).</b>		
Other receivables- Prepayments		
<b>Total Other current assets (specify nature)</b>	<b>-</b>	<b>-</b>



**MAGDEV LIMITED****Notes to statement of Profit & Loss account**

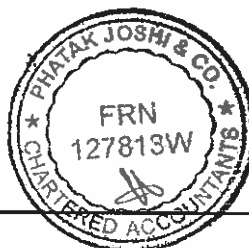
		Amount (Rs.)	Amount (Rs.)
		for the period from 1-4-2015 to 31-3-2016	for the period from 1-4-2014 to 31-3-2015
<b>1</b>	<b>Revenue From Operations</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	(a) Sale of products;	24,68,44,237	25,55,44,724
	(b) Sale of services;	-	-
	<b>Total Revenue from operations</b>	<b>24,68,44,237</b>	<b>25,55,44,724</b>
<b>2</b>	<b>Other Income</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	(a) Interest Income	7,405	2,683
	(b) Spares sales	-	-
	(c) Description only	9,015	89,675
	(d) Profit on Disposal of Equipment	48,145	-
	(e) Net Gain/loss on Foreign Currency fluctuation	4,52,052	(12,06,216)
	<b>Total Other Income</b>	<b>5,16,617</b>	<b>(11,13,859)</b>
<b>3</b>	<b>Change in Stock of Finished goods and Work in Progress</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	Stocks At the End		
	Finished Goods	4,42,05,306	3,37,61,543
	Work-in-Progress	-	-
		<u>4,42,05,306</u>	<u>3,37,61,543</u>
	Stocks At the Beginning		
	Finished Goods	3,37,61,543	4,12,53,812
	Work-in-Progress	-	-
		<u>3,37,61,543</u>	<u>4,12,53,812</u>
	<b>Increase/(Decrease) in Finished Goods and WIP</b>	<b>1,04,43,763</b>	<b>(74,92,269)</b>
<b>4</b>	<b>Employee Benefits Expense</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	(i) salaries and wages,	4,68,49,452	5,78,41,762
	(ii) contribution to provident and other funds,	49,38,645	60,01,056
	(iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
	(iv) staff welfare expenses	2,50,907	8,39,102
	(v) Employees Pension	23,11,402	28,91,145
	<b>Total Employee Benefits</b>	<b>5,43,50,407</b>	<b>6,75,73,066</b>
<b>5</b>	<b>Finance Cost</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	(a) Interest expense;	17,27,647	13,42,016
	(b) Other borrowing Costs;	10,93,223	7,33,297
	<b>Total Fianace Cost</b>	<b>28,20,870</b>	<b>20,75,313</b>



		for the period from 1-4-2015 to 31-3-2016	for the period from 1-4-2014 to 31-3-2015
<b>6</b>	<b>Depreciation and amortization expense;</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	Depreciation for the period	19,35,074	9,38,810
	Less: Transfer from Revaluation	-	-
	<b>Total Depreciation</b>	<b>19,35,074</b>	<b>9,38,810</b>

<b>7 (a)</b>	<b>Other expenses</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	Consumption of Stores, Spares, Consumables, Packing Materials etc.	3,71,318	8,11,719
	Power and Fuel	19,52,121	15,95,625
	Gas & Water	3,50,843	5,34,836
	Rent, Rates, Taxes and Water Charges	40,32,173	35,08,187
	Repairs and Maintenance		
	- Plant & Machinery	-	-
	- Building	2,52,212	2,98,659
	- Others	17,75,305	14,64,495
	Quality Control Expenses	2,72,153	99,188
	Discounts	40,002	10,600
	Carriage recovered	(31,20,947)	(35,75,702)
	Packaging charges	4,33,566	7,17,465
	Carriage outward	28,13,961	28,29,142
	Bad Debts	2,53,189	29,010
	Debt collection charges	3,16,825	(2,75,597)
	<b>Total Other expenses</b>	<b>97,42,719</b>	<b>80,47,627</b>

<b>7 (b)</b>	<b>Other expenses</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
	Insurance Charges	16,54,628	22,56,235
	Travelling Expenses	36,02,047	24,99,375
	Foreign Travelling Expenses	11,48,643	28,07,181
	Vehicle Hire/lease charges	30,96,495	21,93,475
	Advertisement & publicity expenses	16,55,065	10,17,822
	Telephone expenses	11,48,745	10,80,075
	Printing & stationery & xerox	5,97,470	6,43,406
	Staff Training Expenses	3,68,692	4,43,780
	Staff Recruitment costs	10,31,302	-
	Seminar & Conferences	33,02,493	22,04,996
	Computer Expenses	13,25,675	15,55,175
	Subscription to Trade association	2,57,002	2,62,180
	Postage & Franking Machine charges	2,46,682	2,68,492
	Welfare, health & safety expenses	2,33,012	2,14,793
	Remuneration to Auditors		
	(a) as auditor,	16,87,926	20,32,602
	(b) for taxation matters,	-	-
	(c) for company law matters,	-	-
	Legal & Professional fees	26,30,946	15,35,637
	<b>Total Other expenses</b>	<b>2,39,86,821</b>	<b>2,10,15,223</b>



**MagDev Limited (Restated)**  
**Schedule V : Fixed Assets & Depreciation for the period ending 31/03/2016**

Description	Note	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		as on 01/04/2015	Additions	Date of Addn/Deln	Disposal	as on 31/03/2016	as on 01/04/2015	on Disposal	for the year	as on 31/03/2016	as on 31/03/2016	as on 01/04/2015	as on 01/04/2015
Freehold building	1 & 2	4,69,243	-	-	-	4,69,243	-	-	7,649	38,243	4,30,999	4,38,648	
Freehold land	1 & 3	3,64,400	-	-	-	3,64,400	-	-	-	-	3,64,400	3,64,400	
Plant & Equipment	1 & 4	3,01,531	21,942	July/Mar	-	3,23,473	-	1,655	2,91,813	31,660	11,373		
Computers		59,298	8,775	May/Sept/Dec	-	68,073	-	5,406	28,487	39,586	36,217		
Fixtures & Fittings		23,225	1,842	July/Dec	-	25,067	-	1,663	19,329	5,738	5,559		
<b>Total</b>		<b>12,17,696</b>	<b>32,559</b>			<b>12,50,255</b>		<b>16,373</b>	<b>3,77,872</b>	<b>8,72,383</b>	<b>8,56,197</b>		

**MagDev Limited**  
**Note G & 6 : Fixed Assets & Depreciation for the period ended 31st March 2016**

Description	Note	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		as on 01/04/2015	Additions	Date of Addn/Deln	Disposal	as on 31/03/2016	as on 01/04/2015	Reversal on Disposal	for the year	as on 31/03/2016	as on 31/03/2016	as on 01/04/2015	as on 01/04/2015
Freehold building	i & ii	3,45,85,624	-	-	-	3,45,85,624	-	-	5,40,127	31,96,716	3,13,88,908	3,19,29,035	
Freehold land	i & iii	2,60,87,396	-	-	-	2,60,87,396	-	-	-	-	2,60,87,396	2,60,87,396	
Plant, equipment & Veh	i & ii	2,09,22,110	21,43,743	July/Mar	-	2,09,22,110	-	2,09,22,109	-	2,09,22,109	1	1	
Plant, equipment & Veh	i & ii	8,96,736	1,83,438	July/Dec	-	30,40,479	-	93,959	1,68,839	28,71,640	8,21,856		
Furniture & Fittings	i	13,45,561	8,58,914	May/Sept/Dec	-	15,28,999	-	32,216	11,89,070	3,39,929	1,88,707		
Computers	i & ii	57,18,575	-	-	-	57,18,575	-	-	57,18,574	1	1		
Computers	i & ii	36,84,846	-	-	-	45,43,760	-	12,68,773	16,03,022	29,40,738	33,50,597		
<b>Total</b>		<b>9,32,40,848</b>	<b>31,86,095</b>			<b>9,64,26,943</b>		<b>19,35,074</b>	<b>3,27,98,329</b>	<b>6,36,28,614</b>	<b>6,23,77,593</b>		
<b>Previous Year</b>		<b>8,90,26,550</b>	<b>42,14,298</b>			<b>9,32,40,848</b>		<b>9,38,810</b>	<b>3,08,63,255</b>	<b>6,23,77,593</b>	<b>5,91,02,104</b>		

**Note-**

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



## MagDev Limited (formerly MMG MagDev Limited)

### Note no. - N

#### 1. Significant Accounting Policies for the year ended 31<sup>st</sup> March, 2016

##### 1.1 Basis of preparation

- i. The accompanying financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the applicable accounting standards issued by the Institute of Chartered Accountants of India.
- ii. The local accounts are maintained in local and functional currency, which is GB pound ('GBP'). The accounts are translated to Indian Rupees as follows -
  - a. All income and expenses are translated at the average rate of exchange prevailing during the year.
  - b. Assets and Liabilities except share capital are translated at the closing rate on the Balance Sheet date.
  - c. The resulting exchange difference are accumulated in 'Currency Translation Reserve'

##### 1.2 Use of Estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

##### 1.3 Revenue Recognition

The principal activity of the company is to sale magnetic components & accessories. Income from sale of goods is recognized upon transfer of significant risk and reward of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Interest income is recognized on accrual basis.

##### 1.4 Fixed Assets & Depreciation

Fixed assets are valued at cost less accumulated depreciation, amortization and impairment, if any. Cost includes all expenses incurred for acquisition of assets.

##### 1.5 Foreign Currency Transactions

- i) Foreign exchange transactions are recorded at the closing rate prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account.
- 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 profit and loss account.
- iii) Exchange rate differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation are



accumulated in a foreign currency translation reserve in the company's financial statements until the disposal of the net investment.

- iv) Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.
- v) The foreign currency conversion rate has been taken from the site – [www.rbi.org.in](http://www.rbi.org.in), to convert "GBP" into "INR".

#### 1.6 Retirement Benefits

The company operates a defined contribution pension scheme. Company's contribution to 'defined contribution pension scheme' is charged to Profit and Loss Account.

#### 1.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

#### 1.8 Lease

Finance Lease:

The premium on finance lease has been written off over the period of estimated economic life of the asset.

Operating Lease:

The Company has charged fully the lease premium on operating lease to profit & loss account on a straight line basis over the lease term.

#### 1.9 Impairments of assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting standard on Impairment of assets (AS 28) issued by The Institute of Chartered Accountants of India where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

#### 1.10 Valuation of Inventories

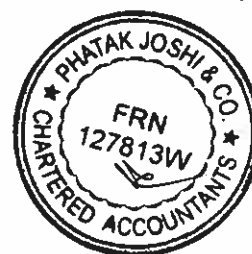
Inventory comprises of the trading goods. It is valued at lower of cost or net realizable value on FIFO basis after making due allowance for obsolete & slow moving stock. Cost of inventories comprises of all direct costs & an appropriate proportion of fixed & variable overheads in bringing the inventories to their present location and condition.

#### 1.11 Currency Translation Reserve –

The net difference arise on translation & restatement of the accounts from GBP to INR has been accounted for as "Foreign Currency Translation Reserve".

#### 1.12 Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to ordinary share holders by the no. of ordinary shares outstanding at the end of the period.





## 2. Notes to Accounts –

### 2.1 - Operating Lease Expenses Disclosure:

The company has taken on operating lease certain assets, the minimum future lease rentals are as follows :

The Company has charged the lease premium on operating lease fully to profit & loss accounts.

Particulars	Year Ended 31-3-2016	Year Ended 31-3-2015
Up to 1 Year - (Rs.)	18,55,305	4,80,773
1 Year to 5 Year - (Rs.)	23,94,748	20,19,245
above 5 Year - (Rs.)	NIL	NIL
Total - (Rs.)	42,50,053	25,00,018

### 2.2 Corporation Tax/deferred tax

The resultant net balance effect of timing difference is a deferred tax asset which has been recognised. Also as per UK laws we have provided for corporation tax liability, as worked out by the statutory auditors.

No provision has been made for Income Tax or Minimum Alternate Tax since the income is not taxable in India.

### 2.3 Contingent Liabilities & Capital Commitment

In the opinion of the board, there is no contingent liability and capital commitment. The company is subject to claims which arise in the ordinary course of business. Other than those for which provisions have been made, the board consider the likelihood of any other claims giving rise to a significant liability to be remote.

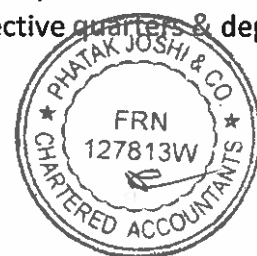
### 2.4 Fixed Assets

To comply with the Companies Act, 2013 (Act) which has come into force w.e.f. 1st April, 2014, we have depreciated the carrying amount of the asset, as on the first day of Act coming into force, with reference to the remaining useful life of that asset from 1-4-2014 over its balance useful life as provided in Schedule II of the Act.

Depreciation on Fixed Assets has been provided at rates prescribed under Schedule II of the Companies Act, 2013 on SLM basis on single shift basis. In absence of figures of Gross block as on 1-1-2010, the opening gross block on 1-1-2010 as appearing in the balance sheet as per UK GAAP has been taken as base.

The Leasehold land & building was acquired for a period of 10 years as per original agreement. However the management has decided to terminate the lease in five years ended on July 2011. Since the lease premium was paid in advance for 10 years & is non-refundable, the cost is fully written off in the books.

In absence of dates of additions to fixed assets during the year, we have assumed that all the assets have been acquired at the beginning of the respective quarters & depreciation is provided accordingly.



## 2.5 Related party disclosure

Related parties and transactions with them during the year as identified by Management are given below:

- i) Key Management Personnel:
  - Yvonne P. Mills – Finance Director & General Manager
  - Jaydev Mody
  - J.T. Tapia
  - R.H. Shroff
- ii) Holding Company - Delta Magnets Ltd
- iii) Companies under common control with whom transaction were carried out  
MMG India Private Limited

S. NO.	TYPE OF TRANSACTION	NAME	Year ended 31-3-16 AMT (Rs.)	Year ended 31-3-15 AMT (Rs.)
1	Purchases	MMG India Pvt. Ltd.	1,23,83,410	1,25,41,105
2	Services received	MMG India Pvt. Ltd.	NIL	(57,018)
3	Trade payable - year end balance	MMG India Pvt. Ltd.	NIL	NIL
4	Advance given to Suppliers	MMG India Pvt. Ltd.	2,69,63,884	56,62,429

## 2.6 Working of Earnings per share

Particulars	Year ended 31-3-2016 (Rs.)	Year ended 31-3-2015 (Rs.)
Net Profit after tax	92,92,428	71,51,003
Weighted average number of equity shares used as denominator for calculating basic & diluted earnings per share	7,62,500	7,62,500
Basic and Diluted Earnings Per Share (Rs.)	12.19	9.38
Nominal value per equity share (GBP)	1	1

## 2.7 Earnings (in India ) & expenditure (out of India) in foreign exchange

Particulars	Year ended 31-3-2016 (Rs.)	Year ended 31-3-2015 (Rs.)
Sale of Goods (Net)	NIL	NIL
Traveling & Other Expenses	NIL	NIL
Capital Goods	NIL	NIL
CIF Value of Imports of Raw Material	NIL	NIL
CIF Value of Imports of stores & spares	NIL	NIL
CIF Value of Imports of Capital Goods	NIL	NIL
	NIL	NIL

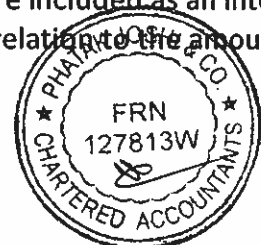


2.8 Transactions with related parties during the year

Particulars	Holding Company/Key Management Personnel	Other Related Party Where Common Control Exists	Total
NIL			


2.9 Disclosures required under the Companies Act, 2013 :-

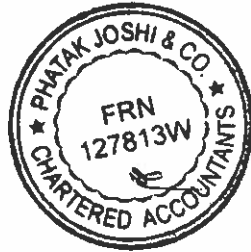
- 1) Remuneration to Directors :-
- |     |                   |                   |
|-----|-------------------|-------------------|
|     | <u>31/03/2016</u> | <u>31/03/2015</u> |
| Rs. | 76,82,035         | 1,37,50,094/-     |
- 2) Remuneration to Auditors :-
- |     |                   |                   |
|-----|-------------------|-------------------|
|     | <u>31/03/2016</u> | <u>31/03/2015</u> |
| Rs. | 17,81,700         | 20,32,602/-       |
- 3) Remittance in Foreign Currency – Rs. 8,45,35,302/- (Previous year - Rs. 8,10,83,107/-)
- 4) Remittance in Foreign Currency on account of dividend - NIL
- 5) C. I. F. Value of Import - Rs. \*1,18,37,21,135/- (Previous year - Rs. 11,13,55,156/-)
- 6) Expenditure in foreign currency on account of royalty, know-how, professional & consultation fees, interest & other matter – Rs. nil/- (Previous year - Rs. NIL /-)
- 7) Earnings in foreign exchange under the following heads –
- Export of goods on F.O.B. basis – Rs.7,07,05,369/- (Previous year - Rs. 5,06,16,032/-)
  - Royalty, know-how, professional & consultation fees – Rs. NIL (Previous year - Rs. NIL)
  - Interest & Dividend – Rs. NIL (Previous year - Rs. NIL)
  - Other Income (pl. specify) – Rs. NIL (Previous year - Rs. NIL)
- 8) The Board is of the opinion that the Current Assets, Loans & Advances have, in ordinary course of business, valued at least equal to the amounts at which they are stated in the Balance Sheet. The provisions done for all known liabilities are adequate.
- 9) Since the company is registered in United Kingdom, Micro, Small and Medium Enterprises Development Act, 2006 is not applicable & hence disclosure is not necessary.
- 10) Balances of Trade Receivables & Trade Payables are subject to confirmation.
- 11) As explained to us, there is no prior period items arise & effected through the profit & loss account during the year.
- 12) The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.



13) The company has changed its name from MMG MagDev Limited to MagDev Limited w.e.f. 2-7-2012.

SIGNATURES TO NOTES A TO N & 1 TO 7  
As per our report of even date attached  
For Phatak Joshi & Co.  
FRN – 127813W  
Chartered Accountants

  
CA. Ajay R. Goklani  
Partner  
M.No. 144224  
Place: Mumbai  
Date: 9<sup>th</sup> May, 2016



For and on behalf of the Board of Directors

  
DIRECTOR  
SP

  
DIRECTOR  
RS