

Independent Auditor's Report

To the Members of MMG India Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **MMG India Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2019, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI Code') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Emphasis of Matter

4. We draw attention to Note No. 34 of the financial statements, with regards to MAT Credit Entitlement of Rs.2,868.00 ('000) which is based on the judgment of the management.
Our report is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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



7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to



the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

13. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable.
14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;




- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22nd May, 2019 as per Annexure B expressed unmodified opinion;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note No. 30 has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November, 2016 to 30th December, 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Amit Desai & Co

Chartered Accountants

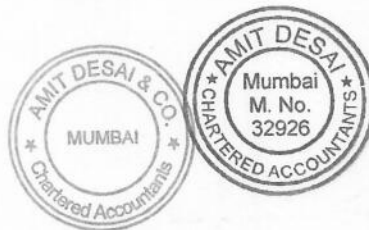
ICAI Firm's Registration No.: 130710W



(Amit N. Desai)

Partner

Membership No.: 032926



Place: Mumbai

Date: 22nd May, 2019

ANNEXURE A

To The Independent Auditor's Report of even date to the members of MMG India Private Limited on the financial statements for the year ended 31st March, 2019

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

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The title deeds of immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Hence, the provisions of Paragraph 3(iv) of the order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Paragraph 3(v) of the order are not applicable.



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

(vii)

- a) The Company is generally not regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, gst, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to it.
- b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, duty of customs, duty of excise, cess and other material statutory dues which were outstanding, at the yearend for a period of more than six months from the date they became payable except service tax, ESIC, sales tax (VAT & CST) and profession 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
Tamil Nadu Municipal Laws (Second Amendment) Act 1998	Profession Tax	67.89	July 2015 to March 2017	30th Sep for salary paid from Apr to Sep, and 31st Mar for Salary paid from Oct to Mar	Nil	Not Paid
ESIC Act, 1948	ESIC	8.09	December 2017 to August 2018	15th of the following month of the respective months	Nil	Not Paid
Finance Act, 1994	Service Tax	2,875.76	August 2015 to June 2017	6th of the following month of the respective months except form March month. For March it is 31st of March	Nil	Not Paid
The Central Sales Tax, 1956	CST	438.21	September 2015 to June 2017	21st of the following month of the respective months	Nil	Not Paid
Tamil Nadu Value Added Tax Act, 2006	VAT	312.67	September 2015 to June 2017	22nd of the following month of the respective months	Nil	Not Paid



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

Statement of Disputed Dues:

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

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding dues to any financial institutions or debenture holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, no term loans were raised during the year under audit.
- (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 the provisions of Paragraph 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Paragraph 3(xii) of the Order are not applicable to the Company.
- (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 requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS. Section 177 of the Act is not applicable to the Company.

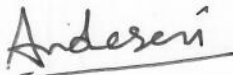


- (xiv) As informed, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.
- (xvi) 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's Registration No.: 130710W



(Amit N. Desai)

Partner

Membership No.: 032926



Place: Mumbai

Date: 22nd May, 2019

ANNEXURE B

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

In conjunction with our audit of the financial statements of MMG India Private Limited ("the Company") as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial statements for external purposes in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

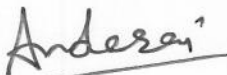
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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

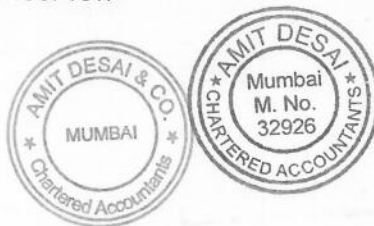
ICAI Firm's Registration No.: 130710W



(Amit N. Desai)

Partner

Membership No.: 032926



Place: Mumbai

Date: 22nd May, 2019

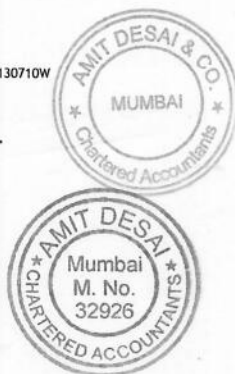
	Notes	As at	As at
		March 31, 2019	March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	5	144,682.92	149,694.88
Capital work-in-progress		53,140.12	250.00
Intangible assets	6	664.65	1,248.45
Financial assets			
Other financial assets	7	718.65	710.25
Deferred tax asset (net)	29	4,477.54	3,081.59
Non-current tax assets (net)	8	2,575.97	2,259.70
Other non-current assets	9	206.25	3,197.39
Total non-current assets		206,466.10	160,442.26
Current assets			
Inventories	10	56,975.08	61,474.59
Financial assets			
Trade receivables	11	97,070.77	87,750.58
Cash and cash equivalents	12	2,757.12	1,378.50
Bank balances other than cash and cash equivalent	13	2,526.71	2,234.97
Other financial assets	7	602.87	453.85
Other current assets	9	44,992.96	29,972.46
Assets classified as held for sale	14	23,640.54	23,640.54
Total current assets		228,566.05	206,905.48
Total assets		435,032.15	367,347.75
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	138,658.70	138,658.70
Other equity	16	(262,238.72)	(201,184.66)
Total equity		(123,580.02)	(62,525.96)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	42,906.45	64,504.98
Provisions	18	4,359.34	3,835.47
Total non-current liabilities		47,265.79	68,340.45
Current liabilities			
Financial liabilities			
Borrowings	17	360,168.49	234,790.24
Trade payables	19	63,765.35	37,399.85
Other financial liabilities	20	46,797.66	59,906.24
Provisions	18	2,335.51	2,142.13
Other current liabilities	21	38,279.37	27,294.79
Total current liabilities		511,346.38	361,533.25
Total liabilities		558,612.17	429,873.70
Total equity and liabilities		435,032.15	367,347.74
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

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

Amit Desai

Amit N. Desai
Partner
Membership No: 032926



Place : Mumbai
Date : May 22, 2019

For and on behalf of the Board of Directors of
MMG India Private Limited
CIN: U27209MH1996PTC222840

Ram H. Shroff

Dr. Ram H. Shroff
Director
DIN: 00004865

Abhilash Sunny

Abhilash Sunny
Director / CFO
DIN: 01985382

Anannya Godbole

Anannya Godbole
Company Secretary
ACS No. 23112

Place : Mumbai
Date : May 22, 2019

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	22	241,914.55	204,579.00
Other income	23	1,304.59	4,334.27
Total income		243,219.14	208,913.27
Expenses			
Cost of material consumed	24	108,522.74	89,187.01
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(2,548.87)	874.15
Excise duty		-	3,655.69
Employee benefits expense	26	53,896.45	47,268.96
Finance costs	27	35,807.75	36,402.99
Depreciation and amortization expense	5 & 6	11,365.13	11,471.84
Other expenses	28	99,816.17	70,254.97
Total expenses		306,859.37	259,115.61
Profit / (loss) before tax		(63,640.23)	(50,202.33)
Income tax expense			
Current tax	29	-	-
Deferred tax (Including MAT credit entitlement)		(1,395.95)	2,973.89
Total income tax expense		(1,395.95)	2,973.89
Profit / (loss) after tax		(62,244.28)	(53,176.22)
Other comprehensive income			
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		27.20	225.16
b) Income tax effect on above		-	(58.54)
Other comprehensive income for the year		27.20	166.62
Total comprehensive income for the year		(62,217.08)	(53,009.60)
Earnings per share (face value INR 10/- each)			
Basic earnings per share (INR)		(4.49)	(3.84)
Diluted earnings per share (INR)		(4.49)	(3.84)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

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

Amit Desai

Amit N. Desai
Partner
Membership No: 032926



Place : Mumbai
Date : May 22, 2019

For and on behalf of the Board of Directors of
MMG India Private Limited
CIN: U27209MH1996PTC222840

Dr. Ram H. Shroff

Dr. Ram H. Shroff
Director
DIN: 00004865

Anannya Godbole

Anannya Godbole
Company Secretary
ACS No. 23112

Place : Mumbai
Date : May 22, 2019

Abhilash Sunny

Abhilash Sunny
Director / CFO
DIN: 01985382

(A) Equity share capital	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10/- each issued, subscribed and fully paid				
Opening share capital	13,865,870	138,658.70	13,865,870	138,658.70
Add: issue during the year	-	-	-	-
Closing share capital	13,865,870	138,658.70	13,865,870	138,658.70

(B) Other equity	Deemed equity	Retained earnings	Total
Particulars			
Balance as at April 01, 2017	16,260.81	(164,435.86)	(148,175.05)
Profit / (loss) for the year	-	(53,176.22)	(53,176.22)
Other comprehensive income / (loss)	-	166.62	166.62
Total comprehensive income for the year	-	(53,009.60)	(53,009.60)
Balance as at March 31, 2018	16,260.81	(217,445.46)	(201,184.65)
Balance as at April 01, 2018	16,260.81	(217,445.46)	(201,184.65)
Profit / (loss) for the year	-	(62,244.28)	(62,244.28)
Other comprehensive income / (loss)	-	27.20	27.20
Corporate guarantee received from Delta Magnet Limited	1,163.01	-	1,163.01
Total comprehensive income for the year	1,163.01	(62,217.08)	(61,054.07)
Balance as at March 31, 2019	17,423.82	(279,662.54)	(262,238.72)

See accompanying notes to the financial statements (Refer note 2)

As per our report of even date

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

Amit Desai

Amit N. Desai
Partner
Membership No: 032926



Place : Mumbai
Date : May 22, 2019

For and on behalf of the Board of Directors of
MMG India Private Limited
CIN: U27209MH1996PTC222840

Dr. Ram H. Shroff

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Abhilash Sunny

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Anannya Godbole

Anannya Godbole
Company Secretary
ACS No. 23112

Place : Mumbai
Date : May 22, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit / (loss) before tax	(63,613.03)	(50,035.71)
Adjustments for:		
Depreciation and amortization expenses	11,365.13	11,471.84
Finance cost	35,807.75	36,402.99
Excise duty on finished goods	-	(2,743.09)
Interest income	(270.52)	(499.83)
Sundry balances written back / (written off)	(531.81)	(5.56)
Financial guarantee commission expense	6,724.92	2,701.50
Unrealised foreign exchange gain / (loss)	31.06	(845.73)
Provision for doubtful debts	1,804.04	945.96
Provision for employee benefits	1,144.78	1,293.87
Operating Profit / (loss) before working capital changes	(7,537.68)	(1,313.77)
Changes in working capital		
(Increase) / decrease in inventories	4,499.51	(4,315.22)
(Increase) / decrease in trade receivables	(10,902.95)	(30,930.75)
(Increase) / decrease in other non-current assets	2,991.14	-
(Increase) / decrease in other current assets	(17,375.86)	(10,803.44)
(Increase) / decrease in other non-current financial assets	(8.40)	2,044.73
(Increase) / decrease in other current financial assets	(110.33)	(126.30)
Increase / (decrease) in trade payables	26,644.98	3,562.44
Increase / (decrease) in other current liabilities	10,984.58	(4,266.22)
Increase / (decrease) in other current financial liabilities	(149.15)	1,483.83
Increase / (decrease) in provisions	(427.52)	(319.02)
Cash generated from / (used in) operations	8,608.32	(44,983.75)
Income tax paid	(316.27)	(20.19)
Net cash flows from / (used in) operating activities (A)	8,292.05	(45,003.94)
Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets (net)	(61,866.06)	(18,213.28)
Bank balances other than cash and cash equivalent	(291.74)	10,503.52
Interest received	231.83	996.02
Net cash flow from / (used in) investing activities (B)	(61,925.97)	(6,713.74)
Cash flow from financing activities		
Proceeds from long-term borrowings (net)	(51,266.77)	25,066.21
Proceeds from short-term borrowings (net)	125,378.25	50,142.53
Interest paid	(19,098.94)	(22,491.97)
Net cash flow from / (used in) financing activities (C)	55,012.54	52,716.77
Net increase in cash and cash equivalents (A+B+C)	1,378.62	999.10
Cash and cash equivalents at the beginning of the year	1,378.50	379.41
Cash and cash equivalents at the end of the year	2,757.12	1,378.50
Cash and cash equivalents comprise (Refer note 12)		
Balances with banks		
On current accounts	2,716.74	714.21
Fixed deposits with maturity of less than 3 months	-	629.61
Cash on hand	40.38	34.67
Total cash and bank balances at end of the year	2,757.12	1,378.50

Summary of significant accounting policies (Refer Note 2)



Notes :-

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

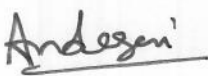
b) Figures in bracket indicate cash outflow.

c) Reconciliation of financing activities

	As at March 31, 2018	Cash flow	Non cash adjustment Accrual of interest / unrealised forex loss	As at March 31, 2019
Non - current borrowings	64,504.98	(21,598.53)	-	42,906.45
Current maturities of Non - current borrowings	32,370.18	(29,668.24)	-	2,701.94
Current borrowings	234,790.24	125,378.24	-	360,168.49

The accompanying notes are an integral part of the financial statements.

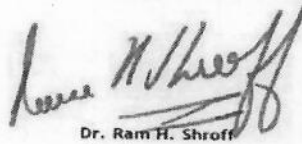
For Amit Desai & Co
Chartered Accountants
ICAI Firm Registration No. : 130710W



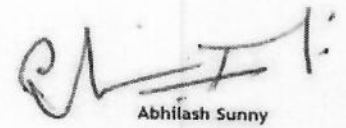
Amit N. Desai
Partner
Membership No: 032926




For and on behalf of the Board of Directors of
MMG India Private Limited
CIN: U27209MH1996PTC222840



Dr. Ram H. Shroff
Director
DIN: 00004865



Abhilash Sunny
Director / CFO
DIN: 01985382



Anannya Godbole
Company Secretary
ACS No. 23112

Place : Mumbai
Date : May 22, 2019

Place : Mumbai
Date : May 22, 2019

1 General information

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

These financial statements were authorised for issue by the Board of Directors on May 22, 2019.

2 Significant accounting policies**2.1 Basis of preparation of financial statements****(a) Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

(c) Current / non current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current / non - current classification of its assets and liabilities. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note 3 for detailed discussion on estimates and judgments.)

(e) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

2.2 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Factory building	30
Office building	60
General - plant and machinery	15 - on Single Shift
Plant and machinery - continuous process plant	25
Furniture and fixtures	10
Electrical installations and equipment	10
Computers and data processing units	3 - 6
Office equipments	3 - 5
Motor cars	8
Motor cycles	10

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

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

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.
- Tools are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

Derecognition

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

2.3 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated useful life
Computer Software	5

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Derecognition

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

2.4 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.5 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

2.6 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.7 Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Revenue from sale of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Company collects goods and service tax/ service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest income

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income

Dividend income on investments is recognised when the right to receive dividend is established.

2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

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

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

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.9 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.10 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.12 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.14 Borrowing Costs

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

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

2.15 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) **Derecognition**

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

(c) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.16 Employee benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Contribution towards the fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.17 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Events after reporting date

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

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of manufacturing of Magnets. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans and other long term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 31.

4 Standards (including amendments) issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from April 01, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

4.1 Ind AS 116, Leases

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019.

The Company has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116.

The Company is in the process of assessing the impact of this new standard.

4.2 Other amendments

The MCA has notified below amendments which are effective April 01, 2019 :

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on preliminary work, the Company does not expect these amendments to have any significant impact on its financial statements.

5 Property, plant and equipment

Particulars	Plant and Machinery	Furniture and Fixtures	Equipments	Vehicles	Computers	Total
Gross Block						
As at April 01, 2017	410,068.53	6,797.88	777.49	2,237.50	4,628.47	424,509.87
Additions during the year	15,023.86	86.30	-	-	-	15,110.16
Disposals during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
As at March 31, 2018	425,092.40	6,884.18	777.49	2,237.50	4,628.47	439,620.04
Additions during the year	5,668.23	75.15	-	-	26.00	5,769.37
Disposals during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
As at March 31, 2019	430,760.63	6,959.32	777.49	2,237.50	4,654.47	445,389.41
Accumulated depreciation						
As at April 01, 2017	267,557.86	5,634.40	95.93	1,045.71	4,341.38	278,675.28
Charges for the Year	10,557.75	207.30	73.86	193.00	217.97	11,249.88
Reverse charge on disposal	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
As at March 31, 2018	278,115.61	5,841.70	169.79	1,238.71	4,559.35	289,925.15
Charges for the Year	10,107.48	199.94	193.03	206.18	74.70	10,781.33
Reverse charge on disposal	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
As at March 31, 2019	288,223.09	6,041.64	362.82	1,444.89	4,634.05	300,706.48
Net block as at March 31, 2018	146,976.79	1,042.48	607.71	998.79	69.12	149,694.88
Net block as at March 31, 2019	142,537.54	917.68	414.68	792.61	20.42	144,682.92

6 Intangible assets

Particulars	Software	Total
Gross Block		
As at April 01, 2017	1,787.98	1,787.98
Additions during the year	1,109.38	1,109.38
Disposals during the year	-	-
Adjustments during the year	-	-
As at March 31, 2018	2,897.37	2,897.37
Additions during the year	-	-
Disposals during the year	-	-
Adjustments during the year	-	-
As at March 31, 2019	2,897.37	2,897.37
Accumulated Depreciation		
As at April 01, 2017	1,426.96	1,426.96
Charges for the Year	221.96	221.96
Reverse charge on disposal	-	-
Adjustments during the year	-	-
As at March 31, 2018	1,648.92	1,648.92
Charges for the Year	583.80	583.80
Reverse charge on disposal	-	-
Adjustments during the year	-	-
As at March 31, 2019	2,232.72	2,232.72
Net block as at March 31, 2018	1,248.45	1,248.45
Net block as at March 31, 2019	664.65	664.65

7 Other financial assets	March 31, 2019		March 31, 2018	
	Non- current	Current	Non- current	Current
Unsecured, considered good				
Security deposits	718.65	483.78	710.25	428.78
Interest accrued on deposits	-	63.76	-	25.07
Other receivable	-	55.33	-	-
	718.65	602.87	710.25	453.85
8 Non-current tax assets			March 31, 2019	March 31, 2018
Advance income tax (net)			2,575.97	2,259.70
			2,575.97	2,259.70
9 Other assets	March 31, 2019		March 31, 2018	
	Non- current	Current	Non- current	Current
Unsecured, considered good				
Balance with government authorities (other than income tax)	-	40,029.54	-	26,102.25
Prepaid financial guarantee commission	-	336.99	3,197.39	2,701.50
Advance to Creditors	-	4,004.57	-	798.02
Prepaid Expenses	206.25	347.95	-	337.56
Advance to Employees	-	273.91	-	33.13
	206.25	44,992.96	3,197.39	29,972.46
10 Inventories (valued at lower of cost and net realizable value)			March 31, 2019	March 31, 2018
Raw material in stock			15,035.67	23,652.80
Work in progress in stock			5,980.83	6,479.16
Finished goods in stock			24,998.93	21,951.73
Store and spares parts including packing material			10,959.65	9,390.89
			56,975.08	61,474.59
11 Trade receivable			March 31, 2019	March 31, 2018
Unsecured				
- Considered good*			97,070.77	87,750.58
- Considered credit impaired			2,122.12	1,007.50
			99,192.89	88,758.09
Less : Allowance for expected credit loss			(2,122.12)	(1,007.50)
			97,070.77	87,750.58
*Includes INR 376.84 ('000) [previous year INR NIL] receivable from related parties (refer note no. 35)				
12 Cash and bank balances			March 31, 2019	March 31, 2018
Cash and cash equivalents				
Balances with banks				
- On current accounts			2,716.74	714.21
- Fixed deposits with maturity of less than 3 months from the balance sheet date			-	629.61
Cash on hand			40.38	34.67
			2,757.12	1,378.50
13 Bank balances other than cash and cash equivalent			March 31, 2019	March 31, 2018
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date*			2,526.71	2,234.97
			2,526.71	2,234.97
14 Assets classified as held for sale			March 31, 2019	March 31, 2018
Immovable properties situated at Chennai			23,640.54	23,640.54
			23,640.54	23,640.54

15 Equity share capital	March 31, 2019		March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity shares of INR 10/- each	15,000,000	150,000.00	15,000,000	150,000.00
	15,000,000	150,000.00	15,000,000	150,000.00
Issued, subscribed and paid up				
Equity shares of INR 10/- each	13,865,870	138,658.70	13,865,870	138,658.70
Total	13,865,870	138,658.70	13,865,870	138,658.70

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year	March 31, 2019		March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	13,865,870	138,658.70	13,865,870	138,658.70
Add: Issued during the year	-	-	-	-
Less: Buy-back during the year	-	-	-	-
Outstanding at the end of the year	13,865,870	138,658.70	13,865,870	138,658.70

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2018: Nil).

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 shares held by shareholders holding more than 5% of the aggregate shares in the Company	March 31, 2019		March 31, 2018	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Delta Magnets Limited - Holding Company	13,865,870	100%	13,865,870	100%

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

16 Other equity	March 31, 2019	March 31, 2018
Deemed equity contribution	17,423.82	16,260.81
Retained earnings	(279,662.54)	(217,445.46)
	(262,238.72)	(201,184.65)

Nature and purpose of other reserves	
Deemed equity contribution	Deemed equity contribution represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Retained earnings	All other net gains, losses and transactions with owners (e.g.: dividends) not recognised elsewhere.

(a) Deemed equity contribution	March 31, 2019	March 31, 2018
Opening balance	16,260.81	16,260.81
Add : Addition during the year	1,163.01	-
Less : Utilisation during the year	-	-
Closing balance	17,423.82	16,260.81
(b) Retained earnings	March 31, 2019	March 31, 2018
Opening balance	(217,445.46)	(164,435.86)
Add: Net profit / (loss) for the current year	(62,244.28)	(53,176.22)
Item of OCI for the year, net of tax		
Add : Re-measurement gain/(loss) on post employment benefit obligation	27.20	166.62
Closing balance	(279,662.54)	(217,445.46)
Total other equity	(262,238.72)	(201,184.65)

17 Borrowings	March 31, 2019		March 31, 2018	
	Non- current	Current	Non- current	Current
Secured				
Borrowings from banks	42,704.51	45,671.24	64,303.04	39,949.00
[Non - current borrowing - outstanding balance as at balance sheet date carry interest @ 10.50 % p.a. (floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment starting from January, 2020. (refer below for detail of securities)]				
[Current borrowing - repayable on demand and carry interest @ 10.00% p.a. floating (refer below for detail of securities)]				
[Securities - Above borrowings are secured 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 and personal guarantee by one of the promoter].				
Borrowings from financial institution	201.94	-	201.94	-
(Outstanding balance as at balance sheet date carry floating interest @ 10.25% p.a., repayable in 60 months. Installment started from January, 2015. Further, it is secured against hypothecation of Motor Vehicle)				
Unsecured				
Borrowings from related party	-	314,497.25	-	194,841.25
(Repayable on demand and interest @ 9% p.a)				
	42,906.45	360,168.49	64,504.98	234,790.24
18 Provisions				
Provision for employee benefits (refer note 31)				
- Gratuity (funded)	4,359.34	-	3,835.47	-
- Leave encashment (unfunded)	-	2,335.51	-	2,142.13
	4,359.34	2,335.51	3,835.47	2,142.13
19 Trade payables			March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises			2,604.96	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*			61,160.39	37,399.85
			63,765.35	37,399.85
Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period				
Particulars	March 31, 2019	March 31, 2018		
The principal amount remaining unpaid at the end of the year	2,508.55	-		
The Interest amount remaining unpaid at the end of the year	96.41	-		
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	96.41	-		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-		
20 Other financial liabilities - current			March 31, 2019	March 31, 2018
Current maturities of long - term borrowings			2,701.94	32,370.18
Accrued interest on loans			39,638.61	22,929.80
Employee related payable			4,457.11	4,606.26
			46,797.66	59,906.24
21 Other liabilities - current			March 31, 2019	March 31, 2018
Statutory due payable			10,788.91	7,829.28
Advance received from customers			27,490.46	19,465.51
			38,279.37	27,294.79

22 Revenue from operations	March 31, 2019	March 31, 2018
Sale of products:		
- Finished goods	240,638.31	202,353.03
Sale of services	-	1,303.51
Other operating income	1,276.24	922.45
	241,914.55	204,579.00

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

Particulars	March 31, 2019	March 31, 2018
Revenue from operations (Sale of Products)	240,638.31	202,353.03
Less : Excise duty	-	(3,655.69)
	240,638.31	198,697.34

23 Other income	March 31, 2019	March 31, 2018
Interest income	270.52	499.83
Sundry balances written back	531.81	30.88
Foreign exchange fluctuation (net)	-	3,402.10
Other non - operating Income	502.26	401.46
	1,304.59	4,334.27

24 Cost of material consumed	March 31, 2019	March 31, 2018
Cost of Raw material consumed		
Inventory at the beginning of the year	23,652.80	18,888.37
Add: Purchases	99,905.61	93,951.44
Less: Inventory at the end of the year	(15,035.67)	(23,652.80)
Cost of Raw material consumed	108,522.74	89,187.01

25 Changes in inventories of finished goods, stock-in-trade and work-in-progress	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
- Finished goods	21,951.73	24,687.83
- Work-in-progress	6,479.16	4,617.21
	28,430.89	29,305.05
Inventories at the end of the year		
- Finished goods	(24,998.93)	(21,951.73)
- Work-in-progress	(5,980.83)	(6,479.16)
	(30,979.76)	(28,430.89)
Net decrease / (increase)	(2,548.87)	874.15

26 Employee benefits expense	March 31, 2019	March 31, 2018
Salaries, wages, bonus and other allowances	49,472.56	43,046.40
Contribution to provident & other funds (refer note 31)	1,870.10	1,457.79
Contribution to gratuity fund & leave encashment expense (refer note 31)	1,144.78	1,293.87
Staff welfare expenses	1,409.01	1,470.90
	53,896.45	47,268.96

27 Finance costs	March 31, 2019	March 31, 2018
Interest Expenses	34,663.67	35,460.25
Other Borrowing Costs	1,144.08	942.75
	35,807.75	36,402.99
28 Other expenses	March 31, 2019	March 31, 2018
Consumption of Stores & Spares, Consumables and Packing Materials etc.	33,948.56	29,698.75
Repairs & maintenance		
- Plant & Machinery	2,927.22	2,670.72
- Building	38.47	52.90
- Others	190.74	100.47
Job work expenses	16,683.06	1,891.32
Power and Fuel	26,323.58	21,027.06
Excise duty variation on opening / closing stock of finished goods	-	(2,743.09)
Insurance	167.82	225.71
Audit expenses (refer note below)	150.00	150.58
Rates and taxes	1,566.24	464.65
Carriage and freight	5,151.65	5,005.63
Travel and conveyance	2,654.41	3,580.41
Legal & professional charges	1,844.59	1,840.52
Foreign exchange fluctuation (net)	601.52	-
Rent	3,596.63	3,072.95
Provision for doubtful debts	1,804.04	945.96
Miscellaneous expenses	2,062.47	2,138.59
Selling & distribution cost	105.17	131.84
	99,816.17	70,254.97
Payments to Auditors		
- As Audit fees	150.00	150.00
- For Company law matters	-	0.58
	150.00	150.58

29 Income taxes	March 31, 2019	March 31, 2018
(a) Deferred tax relates to the following:		
Deferred tax assets		
On provision for employee benefits	296.65	296.65
On unabsorbed depreciation and losses	17,978.95	17,978.95
	<u>18,275.60</u>	<u>18,275.60</u>
Deferred tax liabilities		
On property, plant and equipment	16,666.06	18,062.00
	<u>16,666.06</u>	<u>18,062.00</u>
Deferred tax assets / (liabilities), net	1,609.54	213.59
Minimum Alternative Tax (MAT) entitlements	2,868.00	2,868.00
Deferred tax assets / (liabilities), net	<u>4,477.54</u>	<u>3,081.59</u>
(b) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
	March 31, 2019	March 31, 2018
Deferred tax liabilities net	4,477.54	3,081.59
Less: Opening deferred tax assets	3,081.59	6,114.02
Deferred tax expense for the year	<u>(1,395.95)</u>	<u>3,032.43</u>
Tax liability recognized in Statement of Profit and Loss	(1,395.95)	2,973.89
Tax liability recognized in OCI		
- On re-measurements gain/(losses) of post-employment benefit obligations	-	58.54
Total deferred tax expenses recognised in the statement of profit and loss	<u>(1,395.95)</u>	<u>3,032.43</u>
(c) Income tax expense		
	March 31, 2019	March 31, 2018
Amount recognised in the statement of profit or loss		
a) Current tax		
- For the year	-	-
- For the prior period	-	-
b) Deferred tax	(1,395.95)	2,973.89
Total income tax expense	<u>(1,395.95)</u>	<u>2,973.89</u>
Amount recognised in other comprehensive income		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	-	58.54
	<u>-</u>	<u>58.54</u>
(d) Reconciliation of tax charge		
	March 31, 2019	March 31, 2018
Loss before tax	(63,640.23)	(50,202.33)
Enacted income tax rate in India applicable to the Company	27.82%	26.00%
Income tax expense at tax rates applicable	<u>(17,704.71)</u>	<u>(13,052.61)</u>
Tax effects of:		
Effect of not recognition of deferred tax asset on accumulated tax losses	17,704.71	13,052.61
Incremental deferred tax liability on account of tangible and intangible assets	(1,395.95)	3,032.43
Deferred tax on account of remeasurment of defined benefit obligation	-	(58.54)
	<u>(1,395.95)</u>	<u>2,973.89</u>
Effective tax rate (%)	2.19%	-5.92%
(e) Movement of MAT credit entitlement		
	March 31, 2019	March 31, 2018
Opening Balance	2,868.00	2,868.00
Add : Recognised during the year	-	-
Less : Utilised during the year	-	-
Closing Balance	<u>2,868.00</u>	<u>2,868.00</u>

30 Contingent liabilities and capital commitments	March 31, 2019	March 31, 2018
(a) Contingent liabilities		
Sales tax liabilities - on account of non receipt of "C" Forms	708.00	1,056.14
TDS as per traces	1,640.54	1,375.52
Disputed sales tax demands	11,443.23	11,443.23
Outstanding letters of credit	2,532.23	8,229.38
	16,324.00	22,104.27
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Towards Property, Plant and Equipment	1,692.52	-
	1,692.52	-
31 Employee benefits		
Brief description of the plans:		
The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.		
(a) Define benefit plans:		
The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.		
i) Actuarial assumptions		
Discount rate (per annum)	7.76%	7.88%
Salary escalation rate	6.00%	6.00%
Rate of employee turnover	5.00%	5.00%
Mortality rate during Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected rate of return on plan assets (per annum)	7.76%	7.88%
ii) Expense recognized in the Statement of Profit and Loss		
Current service cost	348.16	411.16
Past service cost	-	-
Interest cost	302.23	247.02
Total*	650.39	658.18
*The total expenses for the year are included in the "Employee benefits expense" line item in the Statement of Profit & Loss.		
iii) Expense recognized in the Statement of Other Comprehensive income		
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	31.87	(163.63)
Actuarial (gains)/losses on obligation - due to experience adjustment	(60.63)	(54.48)
Return on plan assets, excluding interest income	1.56	(7.05)
Total*	(27.20)	(225.16)
*The remeasurement of the net defined benefit liability is included in other comprehensive income.		
iv) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	5,781.03	5,209.75
Interest cost	455.55	378.23
Current service cost	348.16	411.16
Past service cost	-	-
Benefit paid directly by the employer	(99.32)	-
Benefit paid directly from the fund	-	-
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	31.87	(163.63)
Actuarial (gains)/losses on obligation - due to experience adjustment	(60.63)	(54.48)
Present value of obligation at the end of the year	6,456.66	5,781.03

	March 31, 2019	March 31, 2018
v) Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,945.56	1,807.30
Interest income	153.32	131.21
Return on plan assets, excluding interest income	(1.56)	7.05
Fair value of plan assets at the end of the year	2,097.32	1,945.56
vi) Assets and liabilities recognized in the Balance Sheet		
Present value of funded obligation	(6,456.66)	(5,781.03)
Less: Fair Value of plan assets	2,097.32	1,945.56
Net asset / (liability) recognized in balance sheet*	(4,359.34)	(3,835.47)
*Included in provision for employee benefits (refer note 18)		
vii) Maturity analysis of the benefit payments: from the fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	1,873.71	1,350.90
2nd Following Year	1,154.06	712.19
3rd Following Year	243.03	1,045.90
4th Following Year	424.82	220.80
5th Following Year	294.16	365.53
Sum of Years 6 To 10	3,208.75	3,101.67
Sum of Years 11 and above	2,757.79	2,353.23

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

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

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

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

	March 31, 2019	March 31, 2018
viii) A quantitative sensitivity analysis for significant assumption is as shown below		
Impact on defined benefit obligation		
Discount rate		
1% increase	(253.72)	(242.62)
1% decrease	282.36	269.44
Rate of increase in salary		
1% increase	284.48	271.78
1% decrease	(260.04)	(248.94)
Withdrawal rate		
1% increase	17.28	18.06
1% decrease	(20.17)	(20.80)

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

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

(b) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of INR 2,335.51 [March 31, 2018 INR 2,142.13] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

	March 31, 2019	March 31, 2018
Current service cost	494.39	635.69
Total expenses/(income) recognised in the Statement of Profit and Loss	494.39	635.69

(c) **Defined contribution plans**

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

Charge to the Statement of Profit and Loss based on contributions

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Employer's contribution to Regional Provident Fund Office	1,533.07	1,132.03
Employer's contribution to Employees' State Insurance	333.67	322.49
Employer's contribution to Labour Welfare Fund	3.37	3.28
	<u>1,870.10</u>	<u>1,457.80</u>

32 Earnings / loss per share

March 31, 2019 March 31, 2018

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit attributable to equity holders	(62,244.28)	(53,176.22)
Add: Impact of dilutive potential equity shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	<u>(62,244.28)</u>	<u>(53,176.22)</u>

Weighted average number of equity shares for basic and diluted EPS	13,865,870	13,865,870
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Basic loss per share (INR)	(4.49)	(3.84)
Diluted loss per share (INR)	(4.49)	(3.84)

33 Segment reporting

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

34 Mat credit entitlement

MAT Credit Entitlement of INR 2,868 (INR in '000) [Previous year INR 2,868 (INR in '000)] is based on business projections of Company provided by Management, and the same have been relied upon by the Auditors.

35 Related party disclosures

(A) List of related parties

(i) Holding Company:

Delta Magnets Limited (DML)

(ii) Companies under Common Control:

MagDev Limited (Magdev)

Pilamec Limited (Pilamec)

(iii) Key Management Personnel's (KMP):

Dr. Ram H. Shroff (RHS) - Executive Vice Chairman & Managing Director

Mr. Javed Tapia (JT) - Independent Director

Dr. Vrajesh Udani (VU) - Independent Director

Mr. Darius Khambatta (DK) - Non-executive Director

Mr. Abhilash Sunny (AS) - Whole Time Director & Chief Financial Officer

Mrs. Anannya Godbole (AG) - Company Secretary (appointed from March 27, 2019)

(iv) Person haiving significant influence/control directly or indirectly:

Mr. Jaydev Mody (JM) - Chairman of the Holding Company

(v) Enterprises over which persons mentioned in (iii) and (iv) or their relatives above exercise significant influence/control directly or indirectly:

Freedom Registry Limited (FRL)

Aarti Management Consultancy Private Limited (AAMPL)

Aditi Management Consultancy Private Limited (ADMPL)

Arrow Textiles Limited (ATL)

(B) Details of transaction carried out with related parties in the ordinary course of business

Particulars	Holding Company and Companies Under Common Control		KMP or Enterprises over which Individuals mention in (iii) and (iv) or their relatives exercise significant influence/control directly or indirectly		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(INR in '000)					
Sale of goods						
Magdev	11,547.50	14,322.36	-	-	11,547.50	14,322.36
Pilamec	338.45	-	-	-	338.45	-
Total	11,885.95	14,322.36	-	-	11,885.95	14,322.36
Purchase of property, plant & equipment						
ATL	-	-	35.00	-	35.00	-
Total	-	-	35.00	-	35.00	-
Loan received						
DML	53,404.00	43,149.00	-	-	53,404.00	43,149.00
AAMPL	-	-	79,600.00	61,500.00	79,600.00	61,500.00
ADMPL	-	-	3,500.00	8,000.00	3,500.00	8,000.00
RHS	-	-	26,775.00	3,000.00	26,775.00	3,000.00
Total	53,404.00	43,149.00	109,875.00	72,500.00	163,279.00	115,649.00
Repayment of loan taken						
DML	43,623.00	25,133.00	-	-	43,623.00	25,133.00
AAMPL	-	-	-	-	-	-
ADMPL	-	-	-	-	-	-
RHS	-	-	-	-	-	-
Total	43,623.00	25,133.00	-	-	43,623.00	25,133.00
Advance received against sale of land						
JM	-	-	79,521.75	-	79,521.75	-
RHS	-	-	26,775.00	-	26,775.00	-
Total	-	-	106,296.75	-	106,296.75	-
Repayment of advance against sale of land						
JM	-	-	79,521.75	-	79,521.75	-
RHS	-	-	26,775.00	-	26,775.00	-
Total	-	-	106,296.75	-	106,296.75	-
Advance received (repaid) from customer						
Magdev	4,035.93	5,629.60	-	-	4,035.93	5,629.60
Total	4,035.93	5,629.60	-	-	4,035.93	5,629.60
Professional Fees Paid						
FRL	-	-	10.00	-	10.00	-
Total	-	-	10.00	-	10.00	-
Interest Expenses						
DML	4,070.62	2,797.62	-	-	4,070.62	2,797.62
AAMPL	-	-	13,060.13	9,869.70	13,060.13	9,869.70
ADMPL	-	-	929.71	9.86	929.71	9.86
RHS	-	-	1,227.11	845.51	1,227.11	845.51
Total	4,070.62	2,797.62	15,216.95	10,725.07	19,287.57	13,522.69
Corporate guarantee received						
DML	100,000.00	-	-	-	-	-
Total	100,000.00	-	-	-	-	-
Corporate guarantee reversed						
DML	166,600.00	22,430.00	-	-	-	22,430.00
Total	166,600.00	22,430.00	-	-	-	22,430.00
Purchase of Material						
DML	7,900.64	1,613.92	-	-	7,900.64	1,613.92
Total	7,900.64	1,613.92	-	-	7,900.64	1,613.92
Rent Expenses						
DML	1,620.00	1,154.45	-	-	1,620.00	1,154.45
Total	1,620.00	1,154.45	-	-	1,620.00	1,154.45

(C) Outstanding balance as at March 31, 2019

Particulars	(INR in '000)					
	Holding Company and Companies Under Common Control		KMP or Enterprises over which Individuals mention in (iii) and (iv) or their relatives exercise significant influence/control directly or indirectly		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loan Payable						
DML	54,122.25	44,341.25	-	-	54,122.25	44,341.25
AAAMPL	-	-	212,500.00	132,900.00	212,500.00	132,900.00
ADMPL	-	-	11,500.00	8,000.00	11,500.00	8,000.00
RHS	-	-	36,375.00	9,600.00	36,375.00	9,600.00
Total	54,122.25	44,341.25	260,375.00	150,500.00	314,497.25	194,841.25
Trade receivables						
Pilamec	376.84	-	-	-	376.84	-
Total	376.84	-	-	-	376.84	-
Advance Received from Customer						
Magdev	25,372.84	21,336.91	-	-	25,372.84	21,336.91
Total	25,372.84	21,336.91	-	-	25,372.84	21,336.91
Trade Payables						
DML	16,137.46	404.89	-	-	16,137.46	404.89
FRL	-	-	11.80	-	11.80	-
ATL	-	-	44.80	-	44.80	-
Total	16,137.46	404.89	56.60	-	16,194.06	404.89
Interest Payable						
AAAMPL	-	-	26,347.86	14,593.74	26,347.86	14,593.74
ADMPL	-	-	845.62	8.88	845.62	8.88
DML	8,843.67	5,180.12	-	-	8,843.67	5,180.12
RHS	-	-	1,906.21	801.81	1,906.21	801.81
Total	8,843.67	5,180.12	29,099.69	15,404.42	37,943.36	20,584.54
Corporate Guarantee/Security Taken						
DML	100,000.00	166,600.00	-	-	100,000.00	166,600.00
Total	100,000.00	166,600.00	-	-	100,000.00	166,600.00

36 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into credit risk, capital risk, liquidity risk, and market risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(a) Credit risk

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

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

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

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

Trade receivables:

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

Particulars	March 31, 2019	March 31, 2018
0-180 days	80,167.41	77,214.11
More than 180 days	16,903.36	10,536.47
Total	97,070.77	87,750.58

- ii) Movement in provisions of doubtful debts as below:

Particulars	March 31, 2019	March 31, 2018
Opening provision for the year	1,007.50	61.55
Add: Additional provision created during the year	1,804.04	945.96
Less: Amount write-off during the year	(689.42)	-
Less: Provision reversed during the year	-	-
Closing provision for the year	2,122.12	1,007.50

(b) Capital risk

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 17 and 20, and offset by cash and bank balances as detailed in notes 12 and 13) and total equity of the Company.

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

The capital components of the Company are as given below:

Particulars	March 31, 2019	March 31, 2018
Total equity	(123,580.02)	(62,525.96)
Current borrowings	360,168.49	234,790.24
Non-current borrowings	42,906.45	64,504.98
Current maturities of long - term borrowings	2,701.94	32,370.18
Total debt	405,776.88	331,665.40
Cash and cash equivalents	2,757.12	1,378.50
Other bank balances	2,526.71	2,234.97
Net debt	400,493.05	328,051.93
Debt equity ratio	(3.24)	(5.25)

(c) Liquidity risk

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

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
Maturities of Financial Liabilities as at March 31, 2019				
Borrowings	405,776.88	362,870.43	42,906.45	-
Trade payables	63,765.35	63,765.35	-	-
Other financial liabilities	44,095.72	44,095.72	-	-
	513,637.95	470,731.50	42,906.45	-
Maturities of Financial Liabilities as at March 31, 2018				
Borrowings	331,665.40	267,160.42	64,504.98	-
Trade payables	37,399.85	37,399.85	-	-
Other financial liabilities	27,536.06	27,536.06	-	-
	396,601.31	332,096.33	64,504.98	-

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

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

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

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

Particulars	Financial Liabilities	Change in Interest rate	Impact on Profit or Loss before tax for the year	
			Increase by 1%	decrease by 1%
March 31, 2019	405,776.88	1%	(4,057.77)	4,057.77
March 31, 2018	331,665.40	1%	(3,316.65)	3,316.65

(ii) Other Price Risks

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

37 Unhedged foreign currency (fc) exposure

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

Particulars	March 31, 2019		March 31, 2018	
	Foreign currency	INR	Foreign currency	INR
Trade receivable				
- Hedged	-	-	-	-
- Unhedged				
- USD	16,769.02	1,161.78	32,972.21	2,144.65
- GBP	46,377.48	4,190.68	17,199.16	1,587.22
- EURO	5,588.69	434.46	5,103.41	411.45
	68,735.18	5,786.92	55,274.78	4,143.31
Trade payable				
- Hedged	-	-	-	-
- Unhedged				
- USD	196,230.30	13,595.09	164,095.00	10,673.41
	196,230.30	13,595.09	164,095.00	10,673.41

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

Particulars	Foreign exposure (net)	Change in Interest rate	Impact on Profit or Loss before tax for	
			Increase by 5%	decrease by 5%
March 31, 2019	(7,808.17)	5%	390.41	(390.41)
March 31, 2018	(6,530.10)	5%	(326.50)	326.50

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

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

38 Disclosure under Ind AS - 115 Revenue from contracts with customers

Disaggregate revenue information

Set out below is the disaggregation of the Company revenue from contracts with customers and reconciliation to the statement of profit and loss:

Particulars	March 31, 2019	March 31, 2018
(a) Type of product		
Sale of Magnets	165,866.32	155,418.34
Sale of coil windings	74,771.99	46,934.70
Job work	-	1,303.51
Others	1,276.24	922.45
Total revenue contract with customer	241,914.55	204,579.00
(b) Geographical market		
India	217,405.70	190,676.23
Outside India	24,508.85	13,902.77
Total revenue contract with customer	241,914.55	204,579.00
(c) Timing of revenue recognition		
Performance obligation satisfied at a point in time	241,914.55	204,579.00
Performance obligation satisfied over time	-	-
Total revenue contract with customer	241,914.55	204,579.00
(d) Contract balances		
Trade receivables	97,070.77	87,750.58
Contract assets	-	-
Contract liabilities	27,490.46	19,465.51
(e) Trade receivable are presented net of impairment in the balance sheet. In 2019, provision for expected credit loss recognised on trade receivable was INR 2,122.12 ('000) and [previous year INR 1,007.50 ('000)]		
(f) Significant changes in contract liability during the year are as follows:	March 31, 2019	March 31, 2018
Movement in contract liabilities		
Contract liabilities at the beginning of the year	19,465.51	4,190.06
Increase due to cash received and decrease as a result of changes in the measure of progress, change in estimate	27,490.46	19,465.51
Changes due to reclassification from deferred income	(19,465.51)	(4,190.06)
Contract liabilities at the end of the year	27,490.46	19,465.51

39 Fair value disclosures

a) Categories of financial instruments:

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Other financial assets - non current	-	-	718.65	-	-	710.25
Trade receivables	-	-	97,070.77	-	-	87,750.58
Cash and cash equivalents	-	-	2,757.12	-	-	1,378.50
Bank balances other than cash and cash equivalent	-	-	2,526.71	-	-	2,234.97
Other financial assets - current	-	-	602.87	-	-	453.85
	-	-	103,676.12	-	-	92,528.15
Financial Liabilities						
Borrowings - non current	-	-	42,906.45	-	-	64,504.98
Borrowings - current	-	-	360,168.49	-	-	234,790.24
Trade payables	-	-	63,765.35	-	-	37,399.85
Other financial liabilities	-	-	46,797.66	-	-	59,906.24
	-	-	513,637.95	-	-	396,601.31

b) Fair value hierarchy and method of valuation

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

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

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

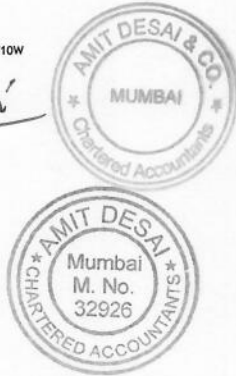
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

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

Amit Desai

Amit N. Desai
Partner
Membership No: 032926



Place : Mumbai
Date : May 22, 2019

For and on behalf of the Board of Directors of
MMG India Private Limited
CIN: U27209MH1996PTC222840

Dr. Ram H. Shroff *Abhilash Sunny*

Dr. Ram H. Shroff
Director
DIN: 00004865

Abhilash Sunny
Director / CFO
DIN: 01985382

Anannya Godbole
Anannya Godbole
Company Secretary
ACS No. 23112

Place : Mumbai
Date : May 22, 2019

Report of the Directors and
Financial Statements
for the Year Ended 31 March 2019
for
MagDev Limited

MagDev Limited

Contents of the Financial Statements
for the Year Ended 31 March 2019

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MagDev Limited

Company Information
for the Year Ended 31 March 2019

DIRECTORS: Mrs Y P Mills
J Tapia
J Mody
R H Shroff

REGISTERED OFFICE: Unit 23
Ash Industrial Estate
Kembrey Park
Swindon
SN2 8UN

REGISTERED NUMBER: 00383732 (England and Wales)

MagDev Limited

Report of the Directors
for the Year Ended 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Mrs Y P Mills
J Tapia
J Mody
R H Shroff

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Y P Mills
.....
Mrs Y P Mills - Director

Date: 24th April 2019.

**Report of the Independent Auditors to the Members of
MagDev Limited**

Opinion

We have audited the financial statements of MagDev Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of
MagDev Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Black (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 26 April 2019

MagDev Limited

Income Statement
for the Year Ended 31 March 2019

Notes	2019 £	2018 £
TURNOVER	3,003,867	2,922,123
Cost of sales	<u>1,927,039</u>	<u>1,884,120</u>
GROSS PROFIT	1,076,828	1,038,003
Administrative expenses	<u>893,097</u>	<u>870,705</u>
	183,731	167,298
Other operating income	<u>8,290</u>	<u>26,673</u>
OPERATING PROFIT	192,021	193,971
Income from shares in group undertakings	<u>-</u>	<u>90,000</u>
	192,021	283,971
Interest payable and similar expenses	<u>30,573</u>	<u>34,360</u>
PROFIT BEFORE TAXATION	161,448	249,611
Tax on profit	<u>32,349</u>	<u>39,874</u>
PROFIT FOR THE FINANCIAL YEAR	<u><u>129,099</u></u>	<u><u>209,737</u></u>

The notes form part of these financial statements

MagDev Limited (Registered number: 00383732)

Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	4	825,728	835,539
Investments	5	665,508	665,508
		<u>1,491,236</u>	<u>1,501,047</u>
CURRENT ASSETS			
Stocks		484,068	435,143
Debtors	6	879,036	759,180
Prepayments and accrued income		71,317	31,449
Cash at bank and in hand		182,986	223,967
		<u>1,617,407</u>	<u>1,449,739</u>
CREDITORS			
Amounts falling due within one year	7	560,831	428,390
NET CURRENT ASSETS		<u>1,056,576</u>	<u>1,021,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,547,812</u>	<u>2,522,396</u>
CREDITORS			
Amounts falling due after more than one year	8	(481,270)	(588,575)
PROVISIONS FOR LIABILITIES		(5,905)	-
ACCRUALS AND DEFERRED INCOME		(36,298)	(38,581)
NET ASSETS		<u>2,024,339</u>	<u>1,895,240</u>
CAPITAL AND RESERVES			
Called up share capital		765,000	765,000
Capital redemption reserve		3,284,000	3,284,000
Retained earnings		(2,024,661)	(2,153,760)
		<u>2,024,339</u>	<u>1,895,240</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 24th April 2019 and were signed on its behalf by:

M. P. Mills
Mrs Y P Mills - Director

The notes form part of these financial statements

MagDev Limited

Notes to the Financial Statements
for the Year Ended 31 March 2019

1. **STATUTORY INFORMATION**

MagDev Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company's functional and presentation currency is the pound sterling and they are rounded to the nearest pound.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% per annum

Plant & machinery - between 3 and 10 years on cost according to asset type

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

MagDev Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivables and payables, loans from banks and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivables and payables, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income and expense account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 23 (2018 - 20).

MagDev Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2018	833,643	387,984	1,221,627
Additions	-	17,293	17,293
At 31 March 2019	<u>833,643</u>	<u>405,277</u>	<u>1,238,920</u>
DEPRECIATION			
At 1 April 2018	54,190	331,898	386,088
Charge for year	6,999	20,105	27,104
At 31 March 2019	<u>61,189</u>	<u>352,003</u>	<u>413,192</u>
NET BOOK VALUE			
At 31 March 2019	<u>772,454</u>	<u>53,274</u>	<u>825,728</u>
At 31 March 2018	<u>779,453</u>	<u>56,086</u>	<u>835,539</u>

Included in cost of land and buildings is freehold land of £364,000 (2018 - £364,000) which is not depreciated.

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2018 and 31 March 2019	<u>665,508</u>
NET BOOK VALUE	
At 31 March 2019	<u>665,508</u>
At 31 March 2018	<u>665,508</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	579,209	522,725
Amounts owed by group undertakings	299,827	235,901
Other debtors	-	554
	<u>879,036</u>	<u>759,180</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts	49,118	49,000
Trade creditors	333,566	220,377
Amounts owed to group undertakings	71,590	68,000
Taxation and social security	92,551	85,023
Other creditors	14,006	5,990
	<u>560,831</u>	<u>428,390</u>

Loans from group undertakings represents a loan payable to the company's subsidiary, Pilamec Limited. Interest is charged at 5% and loan is repayable on a monthly basis until 15 September 2021.

MagDev Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans	366,959	402,569
Amounts owed to group undertakings	114,311	188,006
	<u>481,270</u>	<u>588,575</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	20,827	18,784
Between one and five years	9,973	7,268
	<u>30,800</u>	<u>26,052</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	<u>416,077</u>	<u>451,569</u>

The bank loan is secured against the company's freehold property.

11. PENSION COMMITMENTS

The company participates in a defined contribution pension scheme for the benefit of directors and employees. The scheme is set up under trust and its assets are therefore independent of those of the company.

The total contributions charged by the company in respect of the year ended 31 March 2019 were £28,146 (2018 - £28,208). Outstanding pension contributions at the balance sheet date totalled £Nil (2018 - £4,640).

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

13. ULTIMATE CONTROLLING PARTY

The company is controlled by Delta Magnets Limited, B-87 Ambad Industrial Area, Ambad, Nashik, Maharashtra, India, 422010, a company registered in India, by virtue of its 100% interest in the whole of the issued share capital of the company.

The smallest and the largest group in which the results of the company are consolidated is that headed by Delta Magnets Limited.

MacDev Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2019

	2019		2018	
	£	£	£	£
Sales		3,003,867		2,922,123
Cost of sales				
Purchases	1,758,906		1,702,151	
Wages	151,068		164,540	
Social security	11,383		11,477	
Pensions	5,882		5,952	
		1,927,039		1,884,120
GROSS PROFIT		1,076,828		1,038,003
Other income				
Management charge	8,290		26,673	
Shares in group undertakings	-		90,000	
		8,290		116,673
		1,085,118		1,154,676
Expenditure				
Rent	-		(449)	
Rates and water	34,023		33,999	
Insurance	23,885		25,254	
Light and heat	9,443		10,119	
Directors' salaries	80,546		78,113	
Directors' social security	9,664		9,648	
Directors' pension contributions	5,474		5,000	
Wages	343,317		305,873	
Social security	33,205		41,684	
Pensions	16,990		17,256	
Other operating leases	22,384		22,603	
Telephone	16,636		16,557	
Post and stationery	9,795		8,230	
Advertising	27,158		32,358	
Travelling	33,969		46,974	
Motor expenses	18,330		17,580	
Repairs and renewals	30,239		10,548	
Household and cleaning	3,394		2,652	
Computer costs	28,452		27,367	
Sundry expenses	8,468		14,864	
Staff training	5,126		12,902	
Accountancy	-		18,899	
Subscriptions	1,539		4,420	
Legal fees	19,033		24,316	
Auditors' remuneration	10,155		-	
Auditors' remuneration for non audit work	7,845		-	
Foreign exchange losses	16,829		3,336	
Other operating leases	2,022		1,800	
Commission paid	-		630	
Bad debts	1,500		2,000	
Promotions and exhibitions	37,589		36,697	
		857,010		831,230
		228,108		323,446
Finance costs				
Bank charges	8,151		9,409	
Bank loan interest	19,419		19,890	
Loan	11,154		14,470	
		38,724		43,769
Carried forward		189,384		279,677

This page does not form part of the statutory financial statements

MagDev Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2019

	2019		2018	
	£	£	£	£
Brought forward		189,384		279,677
Depreciation				
Freehold property	7,830		8,000	
Plant and machinery	20,106		22,066	
	<u> </u>	27,936	<u> </u>	30,066
NET PROFIT		<u>161,448</u>		<u>249,611</u>

This page does not form part of the statutory financial statements

Report of the Director and
Financial Statements
for the Year Ended 31 March 2019
for
Pilamec Limited

Pilamec Limited

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for the Year Ended 31 March 2019

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Pilamec Limited

Company Information
for the Year Ended 31 March 2019

DIRECTOR: Mrs Y P Mills

REGISTERED OFFICE: Unit 23 Ash Industrial Estate
Kembrey Park
Swindon
Wiltshire
SN2 8UN

REGISTERED NUMBER: 01258472 (England and Wales)

Pilamec Limited

**Report of the Director
for the Year Ended 31 March 2019**

The director presents her report with the financial statements of the company for the year ended 31 March 2019.

DIRECTOR

Mrs Y P Mills held office during the whole of the period from 1 April 2018 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

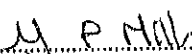
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Mrs Y P Mills - Director

Date: 24th April 2019

**Report of the Independent Auditors to the Members of
Pilamec Limited**

Opinion

We have audited the financial statements of Pilamec Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Report of the Independent Auditors to the Members of
Pilamec Limited

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Black (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 26 April 2019

Plamec Limited
Income Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
TURNOVER		506,695	538,863
Cost of sales		<u>375,204</u>	<u>340,940</u>
GROSS PROFIT		131,491	197,923
Administrative expenses		<u>128,571</u>	<u>164,118</u>
OPERATING PROFIT		2,920	33,805
Interest receivable and similar income		<u>11,238</u>	<u>14,516</u>
PROFIT BEFORE TAXATION		14,158	48,321
Tax on profit		<u>3,510</u>	<u>12,133</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>10,648</u></u>	<u><u>36,188</u></u>

The notes form part of these financial statements

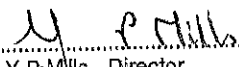
Plamec Limited (Registered number: 01258472)

**Balance Sheet
31 March 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	4		73,424		83,385
CURRENT ASSETS					
Stocks		82,492		35,236	
Debtors	5	323,150		337,036	
Prepayments and accrued income		4,034		4,144	
Cash at bank		117,616		130,010	
		<u>527,292</u>		<u>506,426</u>	
CREDITORS					
Amounts falling due within one year	6	90,722		86,546	
NET CURRENT ASSETS			<u>436,570</u>		<u>419,880</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			509,994		503,265
PROVISIONS FOR LIABILITIES			(12,520)		(13,881)
ACCRUALS AND DEFERRED INCOME			<u>(4,856)</u>		<u>(7,414)</u>
NET ASSETS			<u>492,618</u>		<u>481,970</u>
CAPITAL AND RESERVES					
Called up share capital			1,200		1,200
Share premium			10,341		10,341
Retained earnings			481,077		470,429
			<u>492,618</u>		<u>481,970</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 24th April 2019 and were signed by:


Mrs Y P Mills - Director

Pilamec Limited

Notes to the Financial Statements
for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

Pilamec Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company's functional and presentation currency is the pound sterling and they are rounded to the nearest pound.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property - 2.5% on cost
Plant and machinery - 15-25% on reducing balance
Motor vehicles - 25% on cost
Fixtures and fittings - 15% on reducing balance
Office equipment - 33% on cost

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pilamec Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivables and payables, loans from banks and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivables and payables, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt Instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income and expense account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 (2018 - 6).

Pilameç Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2018	25,854	168,709	11,209
Additions	-	3,105	-
At 31 March 2019	<u>25,854</u>	<u>171,814</u>	<u>11,209</u>
DEPRECIATION			
At 1 April 2018	-	115,085	8,932
Charge for year	646	9,812	1,191
At 31 March 2019	<u>646</u>	<u>124,897</u>	<u>10,123</u>
NET BOOK VALUE			
At 31 March 2019	<u>25,208</u>	<u>46,917</u>	<u>1,086</u>
At 31 March 2018	<u>25,854</u>	<u>53,624</u>	<u>2,277</u>
	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2018	11,021	6,022	222,815
Additions	-	-	3,105
At 31 March 2019	<u>11,021</u>	<u>6,022</u>	<u>225,920</u>
DEPRECIATION			
At 1 April 2018	11,000	4,413	139,430
Charge for year	21	1,396	13,066
At 31 March 2019	<u>11,021</u>	<u>5,809</u>	<u>152,496</u>
NET BOOK VALUE			
At 31 March 2019	<u>-</u>	<u>213</u>	<u>73,424</u>
At 31 March 2018	<u>21</u>	<u>1,609</u>	<u>83,385</u>

5. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	137,249	83,030
Amounts owed by group undertakings	71,590	68,106
	<u>208,839</u>	<u>151,136</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>114,311</u>	<u>185,900</u>
Aggregate amounts	<u>323,150</u>	<u>337,036</u>

Amounts owed by group undertakings represents a loan receivable from Magdev Limited. Interest is charged at 5% and loan is repayable on a monthly basis until 15 September 2021.

Pilamec Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
	£	£
Trade creditors	54,105	63,405
Amounts owed to group undertakings	3,650	6,685
Taxation and social security	32,967	16,456
	<u>90,722</u>	<u>86,546</u>

7. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,767 (2018 - £1,122). Outstanding pension contributions at the balance sheet date totalled £450 (2018 - £225).

8. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

9. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is MagDev Limited, Unit 23, Ash Industrial Estate, Kembery Park, Swindon, SN2 8UN, a company incorporated in England and Wales.

The company's ultimate controlling party is Delta Magnets Limited, B-87 Ambad Industrial Area, Ambad, Nashik, Maharashtra, India, 422010, a company registered in India.

The largest and smallest group in which the results of the company are consolidated is that headed by Delta Magnets Limited.

Pilamec Limited

**Trading and Profit and Loss Account
for the Year Ended 31 March 2019**

	2019		2018	
	£	£	£	£
Turnover				
Sales	506,695		455,663	
Turnover - Europe	-	506,695	83,200	538,863
	<hr/>		<hr/>	
Cost of sales				
Purchases	248,902		192,740	
Wages	67,673		77,985	
Social security	4,836		4,087	
Pensions	858		454	
Carriage and import duty	26,900		25,847	
Maintenance	17,140		19,733	
Light, heat and power	8,895		9,453	
Hire of equipment	-		10,641	
	<hr/>	375,204	<hr/>	340,940
		131,491		197,923
GROSS PROFIT				
Other income				
Interest receivable		11,238		14,516
		<hr/>		<hr/>
		142,729		212,439
Expenditure				
Other establishment costs	3,125		2,181	
Rent	26,002		28,171	
Rates and water	10,012		7,335	
Insurance	5,026		13,434	
Wages	27,602		27,947	
Social security	5,614		4,293	
Pensions	909		668	
Telephone	886		1,013	
Advertising	370		-	
Motor expenses	4,731		4,330	
Travel and subsistence	4,987		6,218	
Repairs and renewals	5,269		11,145	
Computer costs	490		910	
Sundry expenses	8,138		6,791	
Staff training	-		140	
Protective clothing	3,416		3,836	
Accountancy	-		6,028	
Legal fees	1,265		2,131	
Management fees	8,290		26,884	
Auditors' remuneration	1,256		-	
Foreign exchange losses	51		(830)	
Commission paid	-		1,985	
	<hr/>	116,439	<hr/>	154,610
		26,290		57,829
Finance costs				
Bank charges		564		269
		<hr/>		<hr/>
		25,726		57,560
Depreciation				
Plant and machinery	8,958		4,183	
Fixtures and fittings	1,192		225	
Motor vehicles	21		2,521	
Computer equipment	1,397		425	
	<hr/>	11,568	<hr/>	7,354

This page does not form part of the statutory financial statements

Pllamec Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2019

	2019		2018	
	£	£	£	£
Brought forward		<u>14,158</u>		<u>50,206</u>
		14,158		50,206
Loss on disposal of fixed assets		-		<u>1,885</u>
Plant and machinery		-		-
NET PROFIT		<u><u>14,158</u></u>		<u><u>48,321</u></u>

This page does not form part of the statutory financial statements