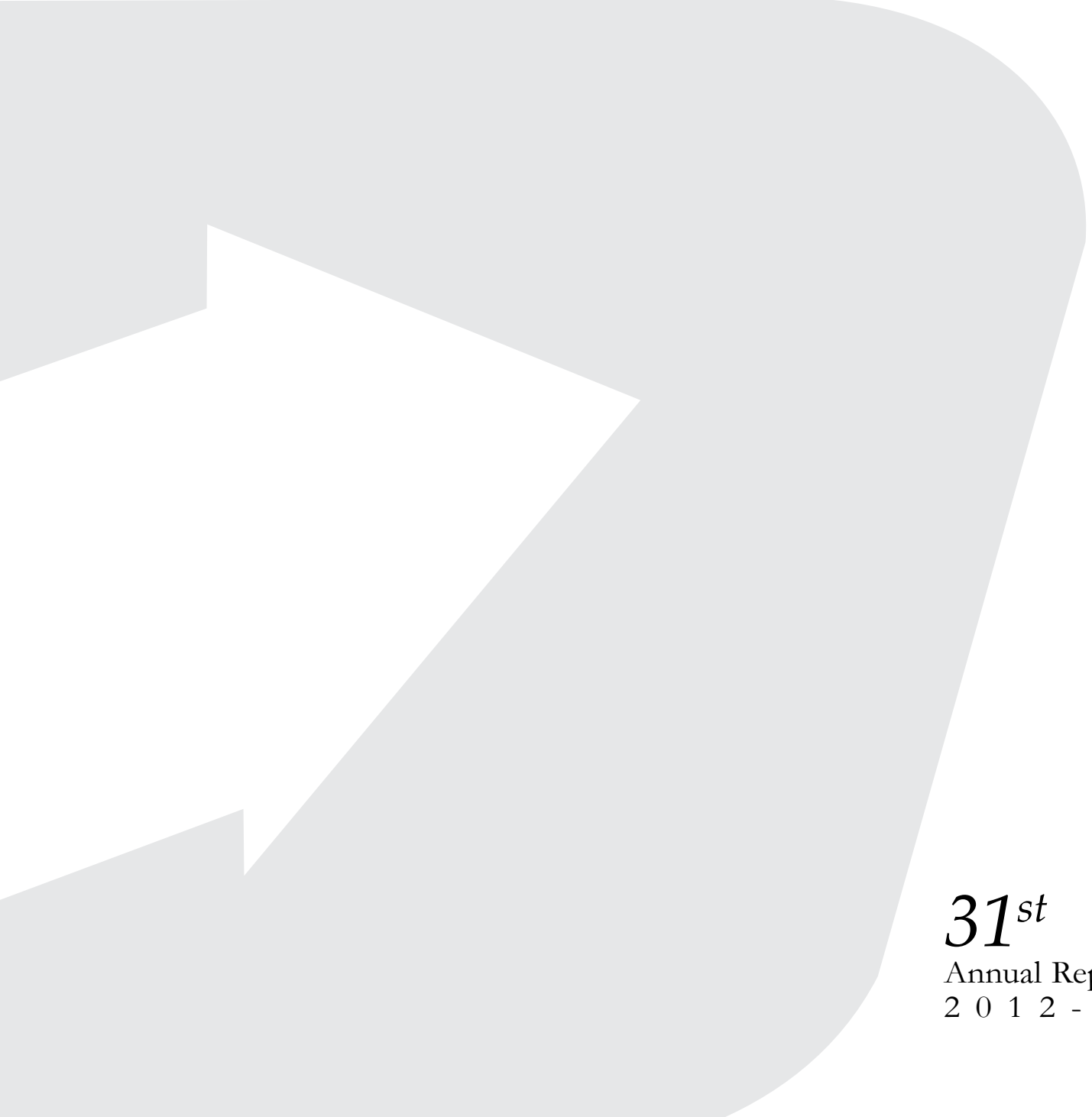




DELTA *MAGNETS LIMITED*



31st
Annual Report
2 0 1 2 - 1 3

THE BOARD OF DIRECTORS

Mr. Jaydev Mody Chairman
Dr. Ram H. Shroff Managing Director
Ms. Urvi Piralal
Mr. Mahesh Gupta
Mr. Rajesh Jaggi
Mr. Javed Tapia
Ms. Ambika Kothari
Dr. Vrajesh Udani
Mr. Darius Khambatta

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Snehal Oak

REGISTERED OFFICE

B-87, MIDC, Ambad,
Nasik - 422 010,
Maharashtra, India.

PLANT LOCATION

B-87, MIDC, Ambad,
Nasik - 422 010,
Maharashtra, India.

STATUTORY AUDITORS

M/s. Amit Desai & Co
Chartered Accountants

BANKERS

The Ratnakar Bank Limited

SHARE TRANSFER AGENTS

Freedom Registry Limited
Plot No. 101/102, MIDC, 19th Street,
Satpur, Nasik - 422 007, Maharashtra, India.
Phone : (0253) 2354032
Facsimile : (0253) 2351126
e-mail : support@freedomregistry.in

SHARES LISTED ON

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

CONTENTS	Page
Notice.....	1
Directors' Report.....	11
Management Discussions and Analysis Report	18
Corporate Governance Report.....	23
Auditors' Report	39
Balance Sheet.....	44
Profit and Loss Account.....	45
Cash Flow Statement	46
Notes to Financial Statements	48
Financial Information of Subsidiaries	67
Consolidated Financial Statements	68
Attendance Slip & Proxy Form.....	95

NOTICE

Notice is hereby given that the 31st Annual General Meeting of Members of Delta Magnets Limited will be held on Saturday, 7th day of September, 2013 at 1.45 p.m. at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jaydev Mody, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Vrajesh Udani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Ambika Kothari, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint auditors and to fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Mr. Darius Khambatta, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company and whose term of office expires at the commencement of this meeting and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received from a member, signifying his intention to propose Mr. Darius Khambatta, as a candidate for the office of the Director of the Company, together with necessary deposits, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”) and/or any statutory modification or re-enactment thereof from time to time and subject to approval of such other authorities as may be required, the consent of the members of the Company, be and is hereby accorded to appoint Dr. Ram H. Shroff as Managing Director and Executive Vice Chairman of the Company for the period of 5 years commencing from 1st October, 2012 without remuneration and further, with powers to the Board of Directors (which term shall be deemed to include any “Committee” thereof) to alter, amend, vary and modify the terms and conditions of the said appointment from time to time, as it deems fit, in such manner as may be mutually agreed upon.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company, be and are hereby severally authorised to make necessary application to such authorities as may be required and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including filing necessary forms with Registrar of Companies.”

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE Company NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

-
2. An explanatory statement under section 173(2) of the Companies Act, 1956 in respect of item no. 6 and 7 to be transacted at the meeting is appended hereto.
 3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 4. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Jaydev Mody, Dr. Vrajesh Udani and Ms. Ambika Kothari, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
 5. Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached as Annexure to this notice.
 6. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the Meeting.
 7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 8. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 3rd day of September, 2013 To Saturday, 7th day of September, 2013 (both days inclusive).
 9. Members holding shares in physical form are requested to consider converting their holding to demat form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Share Transfer Agent (STA) of the Company, for assistance in this regard.
 10. Members holding shares in demat form are requested to intimate immediately any change in their address, email ID or bank mandates to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / STA.
 11. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/ STA for registration of such transfer of shares.
Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
 12. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting, so that the same can be suitably replied.
 13. In support of the "Green Initiative" announced by the Government of India, copies of the Annual Reports will be e-mailed to those shareholders whose e-mail addresses have been made available to the Company.

By Order of the Board of Directors,

**Snehal Oak
Company Secretary**

Mumbai, 7th May, 2013

Registered Office:
B-87, MIDC, Ambad,
Nasik-422 010,
Maharashtra.

**EXPLANATORY STATEMENT PURSUANT
TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

Item No. 6

The Board of Directors appointed Mr. Darius Khambatta, as an Additional Director of the Company with effect from 1st October, 2012, at their Meeting held on 1st October, 2012.

Under Section 260 of the Companies Act, 1956, Mr. Darius Khambatta holds office as Director up to the date of the forthcoming Annual General Meeting.

The Company has received notice from a member, under Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. Darius Khambatta as Director of the Company.

Mr. Darius Khambatta is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

Brief profile of Mr. Darius Khambatta, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming a part of this Notice.

Save and except, Mr. Darius Khambatta, no other Directors of the Company are interested in the resolution except to the extent of their shareholding.

The Board recommends the Ordinary Resolution set out in the Notice for approval by the members.

Item No. 7

The Board of Directors of the Company had, vide its resolution dated 1st October, 2012, approved the appointment of Dr. Ram H. Shroff as Managing Director, designated as an “Executive Vice Chairman” of the Company w.e.f. 1st October, 2012.

Under the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, consent of the shareholders is required for the appointment of Dr. Ram H. Shroff as Managing Director and Executive Vice Chairman of the Company for a period of 5 (five) years with effect from 1st October, 2012. He will not draw any remuneration from the Company.

Brief profile of Dr. Ram H. Shroff, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming a part of this Notice

Save and except, Dr. Ram H. Shroff, no other Directors of the Company are interested in the resolution except to the extent of their shareholding.

The Board recommends the Ordinary Resolution set out in the Notice for approval by the members.

This explanatory statement shall be treated as the memorandum of abstract as stipulated under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors,

Mumbai, 7th May, 2013

Registered Office:
B-87, MIDC,
Ambad, Nasik-422 010,
Maharashtra.

Snehal Oak
Company Secretary

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)



Name of Director

Mr. Darius Khambatta

Date of Birth

20th March, 1958

Date of Appointment

1st October, 2012

Qualification

Chartered Accountant

Profile and Expertise

Mr. Darius Khambatta, 55 years of age, is a Chartered Accountant with over 27 years experience. Mr. Khambatta is currently working in Delta Corp Limited as a Vice President Projects looking after the real estate developments.

Number of shares held in the Company, Individually or Jointly / on a beneficial basis.

Mr. Darius Khambatta does not hold any Share of the Company.

Directorship and Committee memberships (Excluding Delta Magnets Limited)

i) Directorships held in other Companies

AAA Real Land Developers Private Limited

AAA Township Private Limited

Aditi Management Consultancy Private Limited

Aero Ports & Infrastructure Projects Private Limited

Aman Infrastructure Private Limited

Argyll Hotel Private Limited

Bayside Properties Private Limited

Bayside Realty Private Limited

Blackpool Realty Private Limited

Champs Elysee Enterprises Private Limited

Coastal Sports Ventures Private Limited

Daman Hospitality Private Limited
Delta Adventures and Entertainment Private Limited
Delta Land Developers Limited
Elixir Infotech Private Limited
Freedom Aviation Private Limited
Highstreet Cruises and Entertainment Private Limited
Intertrade Mercantile Co. Private Limited
J M Property Management Private Limited
J M Real Estates Private Limited
J M Realty Management Private Limited
J M Township and Real Estate Private Limited
Lakeview Mercantile Company Private Limited
MMG India Private Limited
Newplaza Multitrade Private Limited
Outreach Mercantile Company Private Limited
Providence Education Institute Private Limited
Royal Touch Real Estate Private Limited
Shree Mangesh Realty Private Limited
Victor Hotels & Motels Limited
West Star Agro - Realities Private Limited

ii) Chairman of Board Committees

Nil

iii) Member of Board Committees

Nil

**Name of Director**

Mr. Jaydev Mody

Date of Birth

9th June, 1955

Date of Appointment

14th March, 2008

Qualification

Mr. Jaydev Mody has completed his graduation in Arts from the Mumbai University

Profile and Expertise

Mr. Jaydev Mody, 58 years of age, is a well known businessman and has been in business for more than 36 years. Mr. Mody has over 26 years of experience in the field of real estate development and has played a key role in building and developing Crossroads, one of India's first shopping malls of international standards. A graduate in Arts from Mumbai University, Mr. Mody has been instrumental in the development of several large residential complexes, office complexes and retail destinations in and around Mumbai like Peninsula Corporate Park, Ashok Towers, Ashok Gardens, Peninsula I.T. Park to name a few.

Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.

Mr. Jaydev Mody holds 1125 Equity Shares of the Company as a Joint Holder.

Directorship and Committee memberships (Excluding Delta Magnets Limited)**i) Directorships held in other Companies**

Alibagh Farming and Agriculturist Company Private Limited

Arrow Textiles Limited

Aryanish Finance and Investments Private Limited

Ashok Piramal Management Corporation Limited

Bayside Property Developers Private Limited

Cromwell Tools (India) Private Limited

Crossroads Shoppertainment Private Limited

Delta Corp East Africa Limited

Delta Corp Limited

Delta Gaming and Entertainment Lanka (Pvt) Limited

Delta Holdings (USA) Inc
Delta Hotels Lanka (Pvt) Limited
Delta Pan Africa Limited
Delta Real Estate Consultancy Private Limited
Delta Square Limited
Freedom Aviation Private Limited
Highpoint Agro Star Private Limited
J M Holding (USA) Inc
J M Holding Lanka (Pvt) Limited
J M Holding Limited (UAE)
J M Livestock Private Limited
Magdev Limited, UK
Peninsula Cross Roads Private Limited
Peninsula Investment Management Company Limited
Peninsula Land Limited
Peninsula Pharma Research Centre Private Limited
Peninsula SA Realty Private Limited
Peninsula Townships Development Private Limited
Piramyd Retail and Merchandising Private Limited
Providence Educational Academy Private Limited
Royal Western India Turf Club Limited

ii) Chairman of Board Committees

Delta Corp Limited - Investor Grievances Committee
Arrow Textiles Limited - Investors' Grievances Committee

iii) Member of Board Committees

Delta Corp Limited - Compensation Committee
Arrow Textiles Limited - Remuneration Committee

**Name of Director**

Dr. Vrajesh Udani

Date of Birth

27th December, 1955

Date of Appointment

30th July, 2010

Qualification

Pediatric Neurologist

Profile and Expertise

Dr. Vrajesh Udani, 57 years of age, is a Pediatric Neurologist. Dr. Udani is a consultant at the Hinduja National Hospital and Medical Research Centre and Saifee Hospital. Dr. Udani is also an Assistant Professor of Paediatrics at the Grant Medical College and JJ Group of Hospitals, Mumbai. Dr. Udani is also a Member of the Indian Academy of Paediatrics, Neurological Society of India and Indian Academy of Neurology.

Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.

Dr. Vrajesh Udani does not hold any Share of the Company.

Directorship and Committee memberships (Excluding Delta Magnets Limited)**i) Directorships held in other Companies**

NIL

ii) Chairman of Board Committees

NIL

iii) Member of Board Committees

NIL



Name of Director

Ms. Ambika Kothari

Date of Birth

25th April, 1977

Date of Appointment

30th July, 2010

Qualification

B.A. Economics with Honours, Wellesley College.

Profile and Expertise

Ms. Ambika Kothari, 36 years of age, is B.A. Economics with Honours through Wellesley College. Ms. Kothari has also studied Accounting and Business at MIT Sloan School of Management and Harvard University. Ms. Kothari is experienced in the fields of business administration, management and as analyst. Ms. Kothari has worked with reputed international analyst firms such as Goldman Sachs & Company, New York and Moody's Investor Service, Singapore. Ms. Kothari also worked with DSP Merrill Lynch, Mumbai in the Equities Division. Ms. Kothari is a Director in several Companies and is currently managing investments for GK International Private Limited.

Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.

Ms. Ambika Kothari holds 1950 Equity Shares of the Company

Directorship and Committee memberships (Excluding Delta Magnets Limited)

i) Directorships held in other Companies

Aarti Management Consultancy Private Limited
Aditi Management Consultancy Private Limited
Anjoss Trading Private Limited
Anjyko Investments Private Limited
Aryanish Finance and Investment Private Limited
Bayside Property Developers Private Limited
Delta Real Estate Consultancy Private Limited
G.K. International Private Limited
Lakeview Mercantile Company Private Limited
Newdeal Multitrade Private Limited
PMP Auto Components Private Limited
Providence Educational Academy Private Limited
Welphine Trading and Mercantile Private Limited

ii) Chairman of Board Committees

NIL

iii) Member of Board Committees

NIL

**Name of Director**

Dr. Ram H. Shroff

Date of Birth28th August, 1971**Date of Appointment**1st August, 2011**Qualification**

Qualified Medical Doctor

Profile and Expertise

Dr. Ram H. Shroff, 41 years of age, is a qualified medical doctor. Dr. Shroff has an experience of more than 13 years in Charak Pharma where he is a Director, and in charge of sales and marketing.

Charak is one of the leading Herbal and Ayurvedic Companies in India. Through his initiatives the Company has grown its market share substantially and has introduced several new products which have helped bring a new dimension in medical treatment of patients.

Dr. Shroff has also initiated Charak Pharma's international presence. Charak is now available in more than 45 countries around the world. In addition, he has participated in several local and international medical conferences impressing the need of alternative medicines for the treatment of patients.

Dr. Shroff has also started a new venture called Digimed Healthcare which is in the business of medical tourism with a focus towards markets in Africa.

Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.

Dr. Ram H. Shroff holds 2115 Equity Shares of the Company.

Directorship and Committee memberships (Excluding Delta Magnets Limited)**i) Directorships held in other Companies**

Ayurmedica Trading Company (India) Private Limited

Charak Healthcare Private Limited

Charak Pharma Private Limited

Crème -De-La-Crème Private Limited

Digi Med Network Private Limited

Iss Trading Private Limited

Magdev Limited, UK

MMG India Private Limited

Royal Western India Turf Club limited

SSI Trading Private Limited

Stride Horse Racing Private Limited

ii) Chairman of Board Committees

NIL

iii) Member of Board CommitteesNIL

DIRECTORS' REPORT

Your Directors present their Thirty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2013.

Financial Highlights

(₹ in '000)

Particulars	Standalone	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Income for the year	1,41,678.62	1,28,156.25
Profit before Interest, Depreciation and Tax	5,320.70	5,941.10
Less :		
Finance Charges	1,655.47	4,037.34
Depreciation	9,169.86	9,899.68
Provisions for Taxation/ Deferred Tax	-	-
Prior Period Items / Extra Ordinary Items	189.29	78.36
Net Profit/ Loss for the Current Year	(5,693.92)	(8,074.28)
Balance Carried to Balance Sheet	(93,151.68)	(87,457.77)

Dividend

The Directors do not recommend any dividend for the Financial Year ended 31st March, 2013.

Operations

During the year under review, your Company recorded a total income of 4,37,973.63 (₹ '000) (Consolidated) and Net Profit of (12,650.03) (₹ '000) (Consolidated). For further information, kindly refer to Management Discussion and Analysis Report, forming part of this Annual report.

Subsidiary Companies

The Ministry of Corporate Affairs has vide General Circular No. 2/2011 dated February 8, 2011, granted general exemption from attaching the accounts and financial statements of subsidiary companies as provided under Section 212 (8) of the Companies Act, 1956, provided conditions specified in the said circular are fulfilled. The Company has complied with all the conditions mentioned in the above circular. Therefore, Annual Accounts of subsidiaries of the Company have not been annexed to this report. However, the same are open for the inspection at the Registered as well as Corporate Office of the Company. Any member desirous of obtaining the same may request the Company in writing.

Corporate Governance Report

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion & Analysis Report and Corporate Governance Report together with Certificate from Practicing Company Secretary, on compliance with the conditions of Corporate Governance as laid down, forms part of this Annual Report.

Particulars of Employees

There are no employees in the Company drawing remuneration above the limit specified in terms of provisions of Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 during the year.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars as required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are furnished in the Annexure A to this Report.

Directors

The Board of Directors of the Company have appointed Mr. Darius Khambatta as an Additional Director of the Company with effect from 1st October, 2012 in accordance with Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Mr. Darius Khambatta holds office as an Additional Director of the Company upto the date of ensuing Annual General Meeting.

Capt. Ratnakar Barick ceased to be the Director of the Company with effect from 30th September, 2012. The Board of Directors would like to place on record their sincere appreciation for the valuable contribution made by Capt. Ratnakar Barick from time to time during his tenure as Director of the Company.

At the ensuing Annual General Meeting, in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jaydev Mody, Dr. Vrajesh Udani and Ms. Ambika Kothari, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume/details relating to directors, who are proposed to be appointed/ re-appointed are furnished as an Annexure to the notice of the ensuing Annual General Meeting.

Your directors recommend their appointment/re-appointment at the ensuing Annual General Meeting.

Issue of Equity Shares by way of Preferential Allotment

The Company has allotted 12,12,800 fully paid-up Equity Shares of Re.10/- each, at a price of ₹ 28.10/- per Equity Share (including a premium of ₹ 18.10/- per Equity Share) by way of Preferential Allotment to M/s. SSI Trading Private Limited on 17th July, 2012 which was approved by the members of the Company at an Extra ordinary General Meeting of the members of the Company held on 21st June, 2012.

M/s. SSI Trading Private Limited has been inducted as promoter at the meeting of the Board of Directors of the Company held on 25th May, 2012. This induction as promoter and aforementioned preferential allotment, attracted an obligation on M/s. SSI Trading Private Limited to make an Open Offer in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST Regulations). Accordingly, the Company has received Public Announcement and Detail Public Statement dated 25th May, 2012 and 29th May, 2012 respectively, from M/s. SSI Trading Private Limited and M/s. Delta Real Estate Consultancy Private Limited in this regard.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm that:

1. in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March, 2013 and of the loss of the Company for the year under review;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the accounts for the financial year ended 31st March, 2013 on 'going concern' basis.

Fixed Deposits

During the year under review, the Company has not accepted any fixed deposits from the public.

Auditors

The Board of Directors recommends to re-appoint M/s. Amit Desai & Co., Chartered Accountant as Statutory Auditors of the Company, who retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment. M/s. Amit Desai & Co. have given their consent to act as Statutory Auditors, if re-appointed. Members are requested to consider their re-appointment. The auditors comments on the Company's accounts for the year ended on 31st March, 2013 are self explanatory in nature and do not require any explanation as per the provisions of Section 217(3) of the Companies Act, 1956.

Cost Auditor

As per the requirement of Central Government and pursuant to the Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records every year. Subject to the approval of the Central Government, the Company has appointed M/s. DBK & Associates, Cost Accountants as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2013-14. As required under the provisions of Section 224(1B) read with Section 233B(2) of the Companies Act, 1956, the Company has obtained a written confirmation from the Cost Auditor to the effect that they are eligible for appointment as Cost Auditors under Section 233B of the Companies Act, 1956 and also a certificate certifying their independence and arm's length relationship with the Company.

The Compliance Report for the Financial Year 2011-12 which was due to be filed with the Ministry of Corporate Affairs on or before 15th February, 2013 (as per General Circular No. 1/2013 dated 15th January, 2013 of Ministry of Corporate Affairs) was filed on 30th January, 2013.

Acknowledgements

Your Directors express their sincere appreciation of the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

By Order of the Board of Directors,

Jaydev Mody
Chairman

Mumbai, 7th May, 2013

Registered Office:
B-87, MIDC, Ambad,
Nasik-422 010,
Maharashtra.

ANNEXURE A

INFORMATION UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

A CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy.

The following energy conservation methods were implemented during the year:

- a) Use of energy efficient equipments
- b) Intensified Internal Audit aimed at detecting wastage of electricity.
- c) Campaign based synchronization of utilities with plant operations.

b) Additional investments:

- a) The Company is continuously installing electronic devices to improve quality of power and reduction of energy consumption.
- b) Continuing with energy conservation measures on above lines.
- c) Impact of above measures

The adoption of energy conservation measures have resulted in savings and increased level of awareness amongst the employees. The energy conservation measures have also resulted in improvement of power factor, consequential tariff benefits.

- d) Total energy consumption and energy consumption per unit of production

As per Form A

B TECHNOLOGY ABSORPTION

As per Form B

FORM - A

Statement pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1998

Disclosure of particulars with respect to conservation of energy

	<u>2012-2013</u>	<u>2011-2012</u>
A. Power and Fuel consumption:		
1. Electricity:		
a. Purchased		
Unit: ('000 KWH)	2955.52	2878.78
Total Amount (₹ in '000)	20482.98	17196.55
Rate / per unit (KWH)	6.93	5.97
b. Own Generation		
(i) Through diesel generator	Nil	Nil
(ii) Through steam turbine/generator	Nil	Nil
2. LPG:		
Purchased		
Unit: ('000 Kg)	463.14	472.21
Total Amount (₹ in '000)	29939.94	24209.14
Rate / per unit (Kg)	65.49	51.27
3. Coal:	Not Applicable	Not Applicable
4. Others / Internal Generation	Not Applicable	Not Applicable

B. Consumption per unit of Production:

ELECTRICITY

Hard Ferrite Segment :Power units/MT of production - 2994 2955

The consumption of electricity depends upon the product mix used and the nature of the product manufactured. Thus the above indicates an average consumption per unit of production.

LPG

Hard Ferrite Segment :Power units/MT of production - 463 485

FORM - B
(See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption

1. Specific areas in which R & D activities were carried out by the Company –

- Development of new raw material source for improvement in quality and cost.
- Development of alternate recipes for flexibility in using synthetic iron oxide.
- Development of starter motor magnets for high performance.
- Development of new sizes for Customers.
- Value engineering projects.
- Process design for productivity and energy saving.
- Cycle time reductions on molding presses.
- Prototypes and virtual validations.
- Order finalized for world class powder testing equipment.

2. Benefits derived as a result of above R & D –

- Technology development and commercialization.
- Developed advanced products for passenger cars.
- Reduced development cycles.
- Product performance enhancement.
- Improvement in productivity and cost.
- Product range expansion.
- Benefits to customer in cost and performance.

3. Future plans of action –

- Setting up advance QA lab.
- Develop all ranges of high grade properties of magnets.
- Development of magnets for auto –
 - Starter motor magnets
 - Wiper motor magnets
 - Magnets for gen sets

4. Expenditures on R & D

(₹ in '000)

	<u>2012-13</u>	<u>2011-12</u>
a) Capital	: 249.72p.a	1716.94 p.a.
b) Recurring	: 487.50p.a.	375.00 p.a.
c) Total	: 737.22p.a.	2091.94 p.a.
d) R & D expenditure as % to total turnover	: 0.57%	1.76%

5. Technology Absorption, Adaptation and Innovation –

- Efforts, in brief, made towards technology absorption, adaptation and innovation -
 - The technology developments mentioned above were validated and implemented.
- Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development etc –
 - New products developed to the specific requirements of Customers.
 - Development of starter motor grade magnets.
 - Flexibility in usages of raw materials.
 - Achieved higher productivity.

Others

a) Technology imported	:	Nil
b) Year of import	:	N/A
c) Has technology been fully absorbed?	:	N/A
d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans	:	N/A

Foreign Exchange Earnings and Outgo:

During the year, the foreign exchange outgo was ₹ 13,289.44 (₹ '000) (L.Y. 12,430.42 ₹ '000) the foreign exchange earned towards tool advance was ₹ 478.86(₹ '000) (L.Y. Nil)

By Order of the Board of Directors,

**Jaydev Mody
Chairman**

Mumbai, 7th May, 2013

Registered Office:

B-87, MIDC, Ambad,
Nasik-422 010,
Maharashtra.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

Economic Overview:

The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern and slow growth (1%-2%). Improving consumer confidence and structural policy decisions in the developed markets are providing the required momentum to kick-start the economy on to the path of recovery. In the emerging markets, strong consumer spending and upbeat investment sentiment continue to drive economic growth (5%-8%).

Despite the changing and volatile economic environment, the global and domestic market offers substantial opportunities and Delta Magnets Group (“DMG”) is fully geared up to meet the changing demands and customer expectations.

Business Overview:

As localization been the recent buzz word of modern business, customers of all sizes are faced with a key challenge: the need to identify local competent partners/suppliers who can provide solutions under single roof. Customers are increasingly concerned about how to secure and manage the right local partners/suppliers to de-risk themselves from various economic dynamics, not to mention an increasing number of companies with little or no background in the business.

In contrast, DMG’s successful completion of three decades of existence emphasizes our commitment and strong position in the magnets industry.

DMG comprises of Delta Magnets Limited, Nasik (DML) along with its two subsidiaries namely MMG India Private Limited, Chennai (MMG(I)) and MagDev Limited, UK (MagDev). While DML manufactures ceramic magnets which are used mainly in the automotive sector, MMG(I) manufactures soft ferrites which serves the electronic and automotive sector and MagDev being a distribution house deals in various kinds of magnets and magnet materials which caters to various industries including electronics, retail, non-conventional energy, aerospace and automotive.

DMG is one of the pioneers in providing solutions to customers – from consumers and small businesses to the largest global organizations- more comprehensive and efficiently than any other company. Our company’s key strength is to provide complete solutions to customers under a single roof.

In our core businesses – hard ferrites, soft ferrites, trading – we utilize our market leadership positions to identify and convert new growth opportunities. As the industry matures, we pair new technologies with our core solutions to deliver integrated solutions that address evolving customer needs.

As the threat landscape evolves and customers shift to adapt to new technologies, we are investing in future growth areas that will help to reduce cost and improve efficiency to meet the customer’s expectation. DMG leverages internal R&D, acquisitions and partnerships to accelerate it’s long-term strategy.

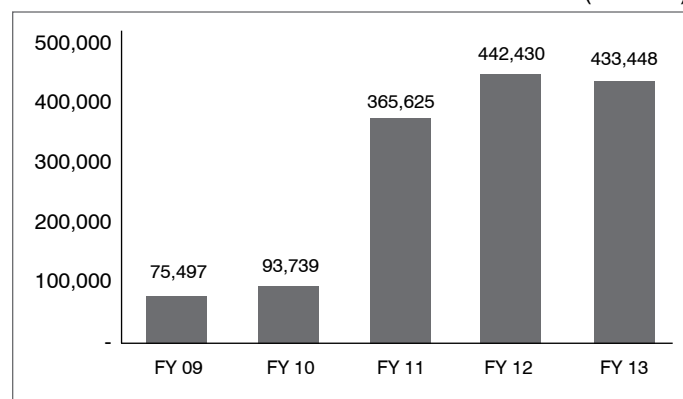
Financial & Operational Performance

Net Sales:

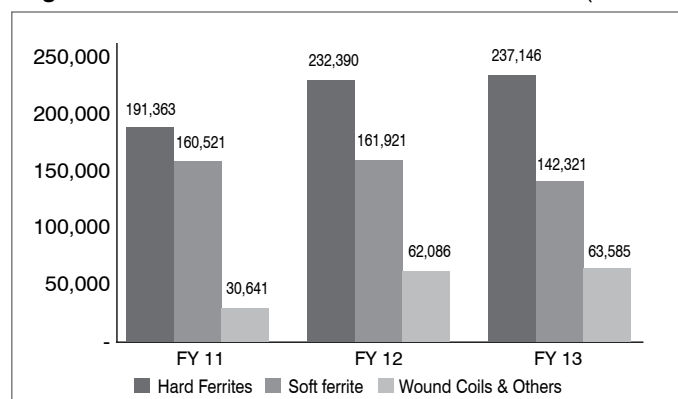
For the fiscal year under review, DMG recorded consolidated net sales of ₹ 4,33,448 thousands. This was ₹ 8,982 thousands, or 2% lower than the previous fiscal year and reflected such factors as the decline in production by automobile manufacturers, sluggish global economic conditions, especially in Europe and US, and sluggish conditions in the electronics and passive component industry.

Turning on an individual business segments results, sales of soft ferrites contracted ₹ 19,601 thousands or 12% year on year to ₹ 142,321 thousands. On a positive note, results were buoyed by an increased sales of hard ferrites ₹ 4,756 thousands or 2% year on year to ₹ 237,146 thousands and value added services sales ₹ 1,499 thousands or 2% year on year to ₹ 63,585 thousands due to our initiatives to improve our share of business from key accounts as well as new customers and new markets.

Net Sales (₹ in '000)



Segment Wise Sales (₹ in '000)



Operating Costs and Selling & Administrative Expenses:

Operating costs increased ₹ 28,896 thousands, or 7% up compared with the previous fiscal year to ₹ 426,054 thousands, largely reflecting the change in the price realization due the product mix as well as the sharp increase in raw material costs and power/fuel costs. Despite efforts to reduce costs, the operating costs to net sales ratio climbed by 8.53% from 89.77% in previous fiscal year to 98.29%.

Selling, general and administrative (SG&A) expenses increased ₹ 5,817 thousands or 3% higher than the previous fiscal year to ₹ 172,383 thousands. SG&A expenses as a ratio to net sales rose 2.12% from 37.65% in previous fiscal to 39.77%.

Operating Income:

Taking into account the aforementioned factors, operating income fell ₹ 37,878 thousands, or 84% compared with the previous year to ₹ 7,394 thousands. This also largely reflected the impact of sluggish European and US markets as well the sharp increase in raw material and other input costs. In similarly, the operating income margin deteriorated by 8% from 10% in the previous fiscal to 2%.

Net Income:

During the fiscal year under review, the interest cost has been reduced by 40% as compared to previous fiscal year due to prepayment of bank Term Loan. Further, the depreciation for the current fiscal year decreased over the previous year due to some assets being fully depreciated and no dilapidation charges of leased property in UK.

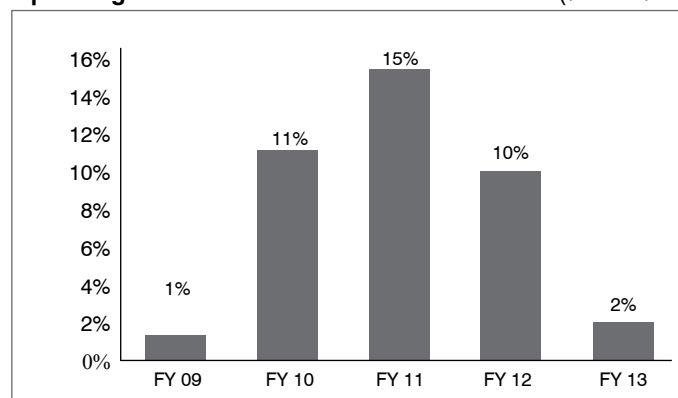
Accounting for all of the aforementioned factors, net income for the fiscal year under review amounted to ₹ (12,650) thousands, down ₹ 45,201 thousands or 139% compared with the previous fiscal year. As a ratio of net sales, this represented a decline of 10% from 7% in previous fiscal to -3%.

Financial Condition

Cash Flows:

Cash and Cash Equivalents as of 31st March, 2013 stood at ₹ 22,002 thousands, higher than the previous fiscal year of ₹ 19,523 thousands.

Operating Income (% of Sales)



Major operating activities included increase/decrease of current assets and current liabilities in ordinary course of business.

Important investing activities included investments in fixed assets, capital work in progress and purchase of mutual funds.

Significant financing activities comprised repayment of long term borrowings, proceeding from issue of equity shares with securities premium.

Cash Flows/(Used) For the Year Ended 31st March,

(₹ in '000)

Particulars	2013	2012	2011
Operating Activities	638.56	37,711.02	(11,420.32)
Investing Activities	(14,632.12)	(24,949.41)	(1,31,405.07)
Financing Activities	16,472.93	(32,903.86)	1,79,290.64
Cash and Cash Equivalents	22,002.29	19,522.93	39,665.17

Assets, Liabilities and Net Assets

Assets:

Total assets stood at ₹ 5,23,082 thousands as on 31st March, 2013, Increase of ₹ 20,912 thousands compared with the previous fiscal year. While fixed assets contracted ₹ 3,512 thousands year on year as compared to previous year mainly due to disposal of some assets, other non-current assets contracted ₹ 155 thousands year on year as compared to previous year due to a decrease in deposits with public bodies. Current assets climbed ₹ 24,579 thousands largely reflecting increase in trade receivable and inventories.

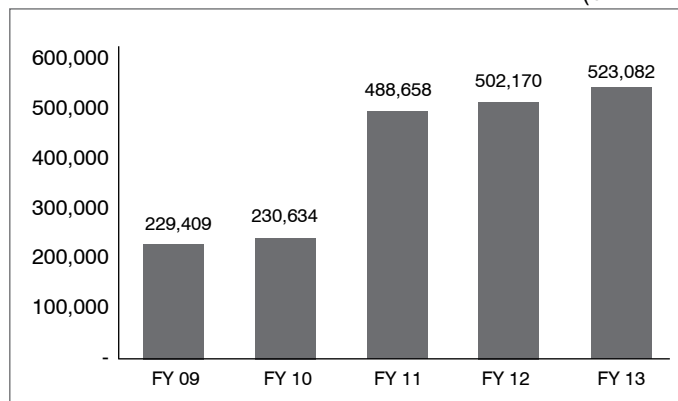
Liabilities:

Total liabilities stood at ₹ 2,17,919 thousands as on 31st March, 2013, a decrease of ₹ 940 thousands compared with the previous fiscal year end. Mainly because of repayment of long term borrowing and proceedings of short term borrowings.

Net Assets:

Net assets stood at ₹ 3,05,163 thousands, an increase of ₹ 21,852 thousands year on year. This is predominately due to the repayment of long term borrowings, issue of equity shares during the period under review and increase/decrease of current assets and current liabilities in ordinary course of business.

Total Assets (₹ in '000)



Internal Controls and Systems:

All up-gradation of the ERP system pertaining to commercial activities is complete in all the three companies. The accounting system is audited by qualified internal audit firms in all three units.

All the three companies are ISO-9001-2008 certified and undergo audits by the certifying bodies periodically. The senior management team conducts periodical Management Review Meetings (MRMs) to examine implementation of Quality System. We are making our position stronger by identifying new customers with higher margin, improving internal efficiency, in house Research and Development, and better customer satisfaction.

The Audit Committee and the Board of Directors review the operations and financial performance quarterly.

Human Resources:

Your company appreciates the human values and believes in developing people through work. Span of Management has been defined & crystallised to achieve organisational goals. Pools of talented people in all functions are in place to discharge their duties effectively & efficiently. Training & evaluation system is in place to enhance & hone skills at all levels. All HODs impart training to their departmental personnel on the training day every week. External Trainers are also invited for imparting training. Good HR practices are put in place to boost the morale of the people. Actions are initiated to apply MBO at a supervisory level for better performance.

Delta Magnets and MMG (India) have internal unions. MagDev does not have any union. The total employee strength as on 31st March 2013 stood at 174, up from 173 in the previous year.

Outlook and Forecast for the Fiscal Year Ending 31st March, 2014:

Looking ahead, the US economy offers limited comfort with its recovery lacking in overall strength. There are also concerns that the persistent debt crisis in Europe will continue to have a negative impact on the economies of emerging countries. On the domestic front, the Indian economy is expected to remain precarious, marked by the sluggish exports, rising crude oil prices, currency fluctuations and resultant decline in corporate sector earnings.

Against this backdrop and a future economic environment that remains shrouded in uncertainty, DMG will implement measures that pre-empt any future change, expand its business in global markets and improve earnings capabilities with the aim of building a strong operating platform that is capable of taking the next leap forward.

Moving forward, the company is projecting net sales of ₹ 498,465 thousands approximate in the fiscal year ending 31st March, 2014, an increase of 15% year on year. From a profit perspective, Operating Income (EBITDA) is expected to be around ₹ 34,892 thousands with Net income ₹ 14,953 thousands.

Business and Other Risks:

DMG operates in global and domestic markets and our products are used in a diverse range of applications in different industries/sectors. For this reason, a variety of factors may materially impact the Group's operations. Some of the major businesses and other risks are described below. Statements concerning the future represent the judgment of DMG as of March 2013.

1. Major Raw Material Price Fluctuations

Many of the DMG products use rare earth materials, mining materials, and petrochemical products as raw materials. The purchase prices of these are susceptible to fluctuations in the market for other raw materials, crude oil prices and export regulations in producing countries. This may increase procurement cost or make it difficult to procure the necessary quantities. These factors may exert a material impact on performance.

2. Exchange Rate Fluctuations

Due to products exports and raw material imports usually denominated in US dollars, GBP and at times in other currencies, exchange rate fluctuations may exert a material impact on the performance of the Group. DMG pursues measures to attenuate the risk from exchange rate fluctuations, but cannot guarantee that exchange rate fluctuations will not affect performance.

3. Acquisitions, Joint Ventures and Strategic Alliances

DMG may acquire outside companies, establish joint ventures and implement strategic alliances in order to develop new technologies and products and raise competitiveness. These complex initiatives involve integration of businesses, technologies, products and personnel that require time and expense. Failure to implement these initiatives as planned may exert a material impact on Group's operations. The success of any business alliance

is determined in part by factors beyond the Group's control, including alliance partner decision, capabilities and market trends. Implementation of these initiatives may cause the Group to incur acquisition- related expenses. In addition, the Group cannot guarantee that it will succeed in integrating acquired business or that its initiatives will achieve all or part of the initial objectives.

4. Potential Risk in Overseas Activities

DMG produces and sells products in Asia, the United States, Europe and other regions. Exposure to political and socio-economic risks in these markets may exert a material impact on the financial position and performance of the Group.

5. Public Regulations

DMGs business activities are subject to various regulations in the countries in which it operates. The regulations include legal obligations related to foreign investment, trade, competition, intellectual properties, taxes, exchange rates, the environment and recycling. Specific changes to these or any regulation could restrict operations, increase cost and exert a material impact on the Group's performance.

6. Financial Risk

DMG holds equities and marketable securities. A decrease in the value of these marketable securities may exert a material impact on the financial position and performance of the Group. In addition, long-term procurement of funds from the capital market exposes the Group to risk associated with the interest rate fluctuation and credit.

7. Competition Risk

The industry in which we operate is highly competitive. We compete with major international magnet companies that, like us, operate in multiple geographic areas, as well as regional, local and private label manufacturers and other value competitors. If we are unable to compete effectively, we may be unable to gain or maintain share of sales or gross margins in the global market or in various local markets. This may have a material adverse impact on our revenues and profit margins.

8. A portion of our workforce belongs to unions. Failure to successfully renew collective bargaining agreements, or strikes or work stoppages could cause our business to suffer.

Many of our employees are covered by collective bargaining agreements. These agreements expire on various dates. Strikes or work stoppages and interruptions could occur if we are unable to renew these agreements on satisfactory terms, which could adversely impact our operating results. The terms and conditions of existing or renegotiated agreements could also increase our costs or otherwise affect our ability to fully implement future operational changes to enhance our efficiency.

Cautionary Statement:

Statement in the "Management Discussion and Analysis" describing the Company's objectives, estimates, expectations or projections may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

The Company fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, the Company focuses its energies in safeguarding the interests of its stakeholders and utilising its resources for maximizing the benefits to them.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates but also to implement the best international practices in that regard.

A report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement with the Stock Exchanges is given below.

Board of Directors

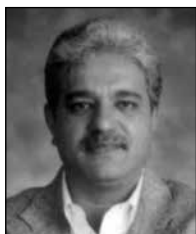
A. Composition of the Board

The Board of Directors consists of professionals drawn from diverse fields, who bring in a wide range of skills and experience to the Board. All Directors on the Board including the Chairman are Non-Executive Directors. More than fifty percent of the Board comprises of Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement, as amended from time to time.

None of the Director of the Company is a member of the Board of more than fifteen Public Companies (including Private Companies which is subsidiary of Public Companies) or a member of more than ten Board level committees or Chairman of more than five such committees.

The Board reviews and approves strategy and oversees the results of management to ensure that the long term objectives of enhancing stakeholder's value are met. The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors.

The brief profile of your Company's Board of Directors is as under:



Mr. Jaydev Mody

Mr. Jaydev Mody, 58 years of age, is a well known businessman and has been in business for more than 36 years. Mr. Mody has over 26 years of experience in the field of real estate development and has played a key role in building and developing Crossroads, one of India's first shopping malls of international standards. A graduate in Arts from Mumbai University, Mr. Mody has been instrumental in the development of several large residential complexes, office complexes and retail destinations in and around Mumbai like Peninsula Corporate Park, Ashok Towers, Ashok Gardens, Peninsula I.T. Park to name a few.



Dr. Ram H. Shroff

Dr. Ram H. Shroff, 41 years of age, is a qualified medical doctor. Dr. Shroff has an experience of more than 13 years in Charak Pharma where he is a Director, and in charge of sales and marketing.

Charak is one of the leading Herbal and Ayurvedic Company's in India. Through his initiatives

the Company has grown its market share substantially and has introduced several new products which have helped bring a new dimension in medical treatment of patients.

Dr. Shroff has also initiated Charak Pharma's international presence. Charak is now available in more than 45 countries around the world. In addition, he has participated in several local and international medical conferences impressing the need of alternative medicines for the treatment of patients.

Dr. Shroff has also started a new venture called Digimed Healthcare which is in the business of medical tourism with a focus towards markets in Africa.



Ms. Urvi A. Piramal

Ms. Urvi Piramal, 60 years of age oversees a professionally managed business conglomerate with business interest in real estate, infrastructure, textiles, engineering, sports and renewable energy.

Ms. Piramal has a Bachelor of Science degree and has attended the Advance Management Program at Harvard Business School.

Ms. Piramal has been a member of Technology and Quality Improvement Committee of IMC since its inception in 1994, and also the Chairperson of Supply Chain & Retail business (Internal Trade) Committee (04-05).

Ms. Piramal has received a number of awards for her contribution to business. Ms. Piramal was awarded the Qimpro Gold Standard Award for excellence in Managing Quality Improvement programmes. Ms. Piramal has won the Outstanding Woman Industrialist Award presented by the Marinelines Junior Chamber and the Yami Woman Award for her outstanding contribution to business by The ITC Grand Central. Ms. Piramal also has to her credit the Cheminor Award from the India Institute of Materials Management.

Ms. Piramal is on the board of Population First, an NGO working on creating awareness for the girl child.

Ms. Piramal is a wildlife enthusiast and spends her leisure time reading, listening to music and traveling extensively.



Mr. Mahesh Gupta

Mr. Mahesh S. Gupta, 56 years of age has an Honours Degree in B.Com; L.L.B (Gen). Fellow Member of The Institute of Chartered Accountants and The Institute of Company Secretaries of India. Mr. Gupta had an outstanding academic record and rank holder and a Silver Medalist in Company Secretaries Final examination.

Mr. Gupta has over 3 decades of professional experience in business management and in all aspects of Corporate Finance such as treasury management, mergers and acquisitions, strategic planning, direct taxation, Company law matters etc.

Mr. Gupta has received a number of recognitions for his business and professional acumen. Mr. Gupta is on the Board of several Public listed Companies. From time to time, Mr. Gupta has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI), Member Governing Council of Indian Association Corporate CFOs and Treasurers (In ACT), Advisory Board of Chennai Business School.



Mr. Rajesh Jaggi

Mr. Rajesh Jaggi, 44 years of age, is a Partner & Managing Director of Everstone Capital Advisors' Real Estate business. Mr. Jaggi has over 14 years of real estate leadership experience in India, including strategic planning, acquisitions, finance, sales and marketing, legal, and project and facility management services.

Prior to Everstone, Mr. Jaggi was the Managing Director of Peninsula Land Limited (a US\$ 400 million market cap listed leading Indian real estate Company). At Peninsula Land, Mr. Jaggi was responsible for the complete business and led the successful commissioning of projects totalling 28 million square feet of real estate (completed development of over 6 million square feet) across residential, commercial and retail space. Some of the landmark projects developed under his stewardship are commercial projects including Peninsula Corporate Park, Peninsula Business Park, and Peninsula Technopark; residential projects including Ashok Towers and Ashok Gardens; and retail projects including Crossroads 2 (CR2). Mr. Jaggi also served as the Managing Director of Peninsula Realty Fund (a joint venture with Brookfield Asset Management) and Head of Peninsula Facility Management Services Private Limited.

An alumnus of F.W. Olin Graduate School of Business at Babson College, Boston, Mr. Jaggi was featured as one of India's Hottest Young Executives by Business Today magazine (February 8, 2009 issue) – recognition for his contribution in leading Peninsula from a local Mumbai based developer to a notable national player.



Mr. Javed Tapia

Mr. Javed Tapia, 46 years of age, is a graduate from Sydenham College, Mumbai and completed his post-graduation in Business Administration from Duke University, USA. Mr. Tapia is the founder of Duke University's Fuqua Alumni Club in India and also serves on the interview panel for prospective applicants to Fuqua School of Business. With a strong background in corporate finance and management, Mr. Tapia has over 23 years of experience in building and growing a varied range of Companies.

Mr. Tapia started his career with the family business and was involved with real estate for Clover Realty. Mr. Tapia then went on to set up an end-to-end IT Solutions Company, Clover Technologies - that provided enterprise level Unix and Oracle solutions and support to corporates. Mr. Tapia took an early lead in understanding the Linux market when Mr. Tapia founded a group under Clover Technologies to focus on Linux early in 1999.

With his passion for Linux and seeing the growth opportunity for this in India, Mr. Tapia brought Red Hat Inc., into India by starting the subsidiary under the flagship brand name of Red Hat India Pvt. Ltd. Red Hat, with a market share of 65 percent worldwide.

Mr. Tapia is currently the Managing Director at Clover Infotech Pvt. Ltd., (CIPL) based in Mumbai. CIPL is a leading technology services and solutions provider. CIPL's expertise lies in supporting technology products related to Application, Database, Middleware and Infrastructure.

Mr. Tapia is also managing the real estate division of Clover Realty and Infrastructure Pvt. Ltd. (CRIPL). CRIPL is into building residential and commercial complexes, lifestyle malls and warehousing parks.

Mr. Tapia has recently set up a 2.2 MW Solar plant in Maharashtra under the name of Clover Solar Pvt. Ltd. (CSPL) aspires to be a major player in the solar PV and solar thermal area.



Ms. Ambika Kothari

Ms. Ambika Kothari, 36 years of age, is B.A. Economics with Honours through Wellesley College. Ms. Kothari has also studied Accounting and Business at MIT Sloan School of Management and Harvard University. Ms. Kothari is experienced in the fields of business administration, management and as analyst. Ms. Kothari has worked with reputed international analyst firms such as Goldman Sachs & Company, New York and Moody's Investor Service, Singapore. Ms. Kothari also worked with DSP Merrill Lynch, Mumbai in the Equities Division. Ms. Kothari is a Director in several Companies and is currently managing investments for GK International Private Limited.



Dr. Vrajesh Udani

Dr. Vrajesh Udani, 57 years of age, is a Pediatric Neurologist. Dr. Udani is a consultant at the Hinduja National Hospital and Medical Research Centre and Saifee Hospital. Dr. Udani is also an Assistant Professor of Paediatrics at the Grant Medical College and JJ Group of Hospitals, Mumbai. Dr. Udani is also a Member of the Indian Academy of Paediatrics, Neurological Society of India and Indian Academy of Neurology.



Mr. Darius Khambatta

Mr. Darius Khambatta, 55 years of age, is a Chartered Accountant with over 27 years experience. Mr. Khambatta is currently working in Delta Corp Limited as a Vice President Projects looking after the real estate developments.

B. Board Procedure

A detailed Agenda folder is sent to each Director in advance of Board and Committee meetings. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background notes and other material information to enable the Board to take informed decisions. Agenda papers are circulated at least a week in advance to the Board meeting.

C. Information placed before the Board

Apart from the items that are required under the statutes, to be placed before the Board for its approval, the following are placed before the Board periodically for its review / information in compliance with the Listing Agreement as amended from time to time.

1. Annual operating plans and budgets, capital budgets and any updates.
2. Quarterly results for the Company.
3. Minutes of meetings of Audit Committee and other Committees of the Board.
4. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
5. Materially important show cause, demand, prosecution notices and penalty notices.
6. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

7. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
8. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the Conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
9. Details of any joint venture or collaboration agreement.
10. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
11. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front.
12. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
13. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
14. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

D. Post - meeting follow - up systems

The Governance system in the Company include an effective post - meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and its Committees.

E. Board Support

The Company Secretary of the Company attends all the meetings of the Board and its Committees and advises / assures the Board and Committee on compliance and governance principles.

F. Code of Conduct

The Board has laid down Code of Conduct for the Board members and for senior Management and Employees of the Company. The same has been posted on the website of the Company. All Board members and Senior Management Personnel have affirmed compliance with this Code.

G. CEO / CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, the Managing Director and the Group C.F.O. of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2013.

H. Details of the Board Meetings held during the financial year

During the financial year ended 31st March, 2013, 6 (six) meetings of the Board were held, as follows:

No.	Date	Board Strength	No. of Directors present
1	25 th May, 2012	9	7
2	18 th June, 2012	9	7
3	7 th August, 2012	9	8
4	1 st October, 2012	8	4
5	7 th November, 2012	9	8
6	11 th February, 2013	9	8

The maximum gap between two Board Meetings was less than four months.

I. Attendance at the Board Meetings and at Annual General Meeting (AGM), no. of Directorship in other Public Companies, no. of Committee positions held in other Public Companies

The current composition of the Board of Directors as on date and attendance of the Directors at the Board Meetings as well as their directorship/membership in Committees of Public Companies as on 31st March, 2013, is as follows:

(Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Unlimited Companies, Section 25 Companies and Companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/ Investors Grievance Committees of other Public Companies.)

Name of the Director	Category	Number of Board Meetings during the year 2012-2013		Whether attended the last AGM held on 24.09.2012	Number of Directorships in other Public Companies	Number of Committee positions held in other Companies	
		Held	Attended			Chairman	Member
Mr. Jaydev Mody (Chairman)	Non-Executive, Promoter	6	2	No	7	2	0
#Dr. Ram H. Shroff	Managing Director	6	5	No	1	0	0
Ms. Urvi Piramal	Non-Executive	6	5	No	9	0	1
Mr. Mahesh Gupta	Non-Executive, Independent	6	5	Yes	13	3	4
Mr. Rajesh Jaggi	Non-Executive, Independent	6	5	No	2	0	2
Mr. Javed Tapia	Non-Executive, Independent	6	4	No	2	0	0
Ms. Ambika Kothari	Non-Executive, Independent	6	6	No	0	0	0
Dr. Vrajesh Udani	Non-Executive, Independent	6	5	No	0	0	0
## Mr. Darius Khambatta	Non-Executive, Independent	6	2	No	11	0	0
### Capt. Ratnakar Barick	Whole Time Director	6	3	Yes	0	0	0

Dr. Ram H. Shroff has been appointed as Managing Director and designated as Executive Vice Chairman of the Company with effect from 1st October, 2012.

Mr. Darius Khambatta has been appointed as an Additional Director of the Company with effect from 1st October, 2012.

Capt. Ratnakar Barick has resigned from the directorship of the Company with effect from 30th September, 2012.

Details of the Directors being re - appointed

Mr. Jaydev Mody, Dr. Vrajesh Udani and Ms. Ambika Kothari are the Directors of the Company, who are retiring by rotation at the ensuing Annual General Meeting of the Company. Their detailed profile in line with Clause 49 of the Listing Agreement is forming the part of the Notice of the Annual General Meeting.

Committees of the Board

A. Audit Committee

The Audit Committee acts as a link between Statutory and Internal Auditors and the Board of Directors.

The Audit Committee provides reassurance to the Board regarding the existence of an effective internal control environment that ensures:-

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

Powers

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference
- Seek any information it requires from any employee
- Obtain legal or other independent professional advice and
- Secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchanges. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia perform the following functions:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment and removal of Statutory Auditors, fixation of audit fees and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval ;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing with the management performance of Statutory and Internal Auditors, the adequacy of internal control systems;

-
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
 - Discussion with Internal Auditors any significant finding and follow up thereon;
 - Reviewing reports of internal audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
 - Reviewing the findings of any internal investigations by the Internal Auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
 - Discussion with the Statutory Auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
 - Reviewing the Company's financial and risk management policies;
 - Looking into the reasons for substantial defaults, if any, in payment to shareholders (in case of non-payment of declared dividends) and creditors;
 - Approval of appointment of CFO;
 - Considering such other matters as may be required by the Board;
 - Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

Review of Information

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Financial statements as well as investments made by unlisted subsidiaries.

Composition

The Audit Committee of the Company presently comprises of three Directors i.e. Mr. Mahesh Gupta, Mr. Rajesh Jaggi and Mr. Javed Tapia, all are independent directors. The constitution of the Committee is in line with Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Chairman of the Committee is Mr. Mahesh Gupta, who is an Independent Director. The Group C.F.O., Internal Auditors, Statutory Auditors and Cost Auditors are invitee, to the meetings of the Audit Committee. The Secretary of the Company acts as the Secretary to the Committee. All the members of the Committee are financially literate and have accounting and financial management expertise.

Meeting and attendance

During the financial year ended 31st March, 2013, 4 (four) meetings of the Audit Committee were held, as follows:

No.	Date	Committee Strength	No. of Members present
1	25 th May, 2012	3	2
2	7 th August, 2012	3	2
3	7 th November, 2012	3	3
4	11 th February, 2013	3	3

The maximum gap between any two meetings of the Audit Committee of the Company was not more than four months.

The previous Annual General Meeting of the Company held on Monday, 24th September, 2012 was attended by Mr. Mahesh Gupta, Chairman of the Audit Committee.

B. Remuneration Committee

Terms of reference

- Recommending remuneration including periodic revision, performance bonus, incentives, commission, stock options, other services, perquisites and benefits payable to the executive directors;
- Formulation of the detailed terms and conditions of stock options, granting of administration and superintendence thereof;
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

Composition

The Remuneration Committee as on date comprises of three members i.e. Mr. Jaydev Mody, Mr. Rajesh Jaggi and Mr. Javed Tapia. All of them are Non Executive Directors. The Chairman of the Committee is Mr. Javed Tapia, who is a Non-Executive and Independent Director.

The Secretary of the Company acts as the Secretary to the Committee.

Meeting and attendance

During the financial year ended 31st March, 2013, no meeting of the Remuneration Committee was held.

Remuneration Policy

The remuneration policy of the Company for the Executive Directors is based on the following criteria:

- Performance of the Company and its associate and subsidiary Companies;
- Performance of the individual Executive Director;
- External competitive environment.

Service Contract, Severance Fee and Notice Period

The Company has not entered into any service contract.

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

Details of remuneration paid to Executive and Non Executive Directors for the year ended 31st March, 2013 and their relationship with other directors of the Company.

Executive Director

Name	Relationship with other Directors	Salary	Benefits, perks and allowances	Commission	Contribution to Provident Fund	Stock Option granted upto 30.09.2012
Capt. Ratnkar Barick*	-	19,13,196	13,58,378	2,50,000	1,36,800	-

*Capt. Ratnkar Barick has resigned from the Directorship of the Company with effect from 30th September 2012.

Non Executive Directors

Name	Relationship with other Directors	Sitting Fees	Commission	Total
Mr. Jaydev Mody	Brother of Ms. Urvi Piramal	4000	-	4000
Dr. Ram H. Shroff	None	6000	-	6000
Ms. Urvi Piramal	Sister of Mr. Jaydev Mody	10000	-	10000
Mr. Mahesh Gupta	None	18000	-	18000
Mr. Rajesh Jaggi	None	16000	-	16000
Mr. Javed Tapia	None	14000	-	14000
Ms. Ambika Kothari	None	12000	-	12000
Dr. Vrajesh Udani	None	10000	-	10000
Mr. Darius Khambatta	None	4000	-	4000

During the financial year ended 31st March, 2013, except payment of sitting fees to the Non - Executive Directors, the Company do not have any pecuniary relationship or transactions with the Non - Executive Directors.

Shareholding of Non-executive Directors

The Individual shareholding of Non-executive Directors (including shareholding as joint holder) as on 31st March, 2013 is given below:

Name	No. of shares held
Mr. Jaydev Mody	1125
Dr. Ram H. Shroff	2115
Ms. Urvi Piramal	0
Mr. Mahesh Gupta	104
Mr. Rajesh Jaggi	0
Mr. Javed Tapia	0
Ms. Ambika Kothari	1950
Dr. Vrajesh Udani	0
Mr. Darius Khambatta	0

C. Share Transfer and Investors Grievance Committee

Terms of reference

The Committee oversees and reviews all matters connected with transfer of securities and also approves issue of duplicate, split of share certificates, etc. Also the Committee looks into redressal of Shareholder's/Investor's' complaints/grievances pertaining to transfer or credit of shares/ transmissions/ dematerialisation/ rematerialisation/ split/ issue of duplicate share certificates, non receipt of annual reports, dividend payments and other miscellaneous complaints. The Committee reviews performance of the Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Composition

The Share Transfer and Investors Grievance Committee as on date comprises of three members i.e. Mr. Jaydev Mody, Mr. Rajesh Jaggi and Dr. Ram H. Shroff. All of them are Non-Executive Directors. The Share Transfer and Investors Grievance Committee of the Company was reconstituted during the year. The Chairman of the Committee is Mr. Jaydev Mody.

Meeting and attendance

During the financial year ended 31st March, 2013, 4 (four) meetings of the Share Transfer and Investors Grievance Committee were held, as follows:

No.	Date	Committee Strength	No. of Members present
1	12 th April, 2012	3	3
2	2 nd July, 2012	3	2
3	8 th October, 2012	3	3
4	11 th January, 2013	3	3

Compliance Officer

Ms. Snehal Oak, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchanges.

Listing Fees

The Company has paid the listing fees to all the Stock Exchanges till 31st March, 2013.

Redressal of Investors Grievances

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent /issued usually within 7-10 days except in case of dispute over facts or other legal impediments.

During the financial year under review, no investor's complaints were received and pending as at the end of the financial year.

Details of Annual General Meetings

Location, date and time of Annual General Meetings held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2009 – 10	The Gateway Hotel, Ambad, Nasik-422 010, Maharashtra.	September 23, 2010	Thursday	2.00 p.m.	0
2010 – 11	The Gateway Hotel, Ambad, Nasik-422 010, Maharashtra.	September 29, 2011	Thursday	2.30 p.m.	1
2011 – 12	The Gateway Hotel, Ambad, Nasik-422 010, Maharashtra.	September 24, 2012	Monday	3.00 p.m.	0

During the last year, no resolution was passed by Postal Ballot. At present there is no proposal to pass any resolution by Postal Ballot.

Disclosures

- a) During the financial year 2012-2013 there were no materially significant transactions entered into between the Company and its promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

The Register of Contracts detailing the transactions, in which the Directors are interested, is placed before the Board /Audit Committee regularly. Transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.

- b) The Company has complied with the requirements of Stock Exchanges, SEBI and all other statutory authorities on all matters related to the capital markets during the last three years. There were no penalty imposed nor did any strictures pass on the Company by Stock Exchanges, SEBI and all other statutory authorities relating to above.
- c) The Company has adopted a Code of Conduct for its Directors and Employees. This Code of Conduct has been communicated to each of them. The Code of Conduct has also been put on the Company's website www.deltamagnets.com.
- d) The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement. As far as Non-mandatory requirements are concerned, the Company has constituted Remuneration Committee.

The financial statements of the Company are unqualified. The Company has not adopted other non-mandatory requirements.

Means of Communication

Financial Results

Quarterly financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in following leading newspapers:

- Free Press Journal (English)
- Navshakti (Marathi)

The financial results are displayed on Company's website on www.deltamagnets.com.

The Management Discussion & Analysis Report forms part of this Annual Report.

General Shareholder Information

Annual General Meeting

Date and Time : Saturday, 7th day of September, 2013 at 1.45 p.m.

Venue : The Gateway Hotel, Ambad, Nasik-422 010, Maharashtra.

As required under Clause 49 (IV) (G) (i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on Saturday, 7th day of September, 2013.

Financial Year : 1st April to 31st March.

Dates of Book Closure : From Tuesday, 3rd day of September, 2013
To Saturday, 7th day of September, 2013 (both days inclusive.)

Dividend payment date : Not Applicable

Stock Exchange where

Company's Shares are listed : Bombay Stock Exchange Limited
Phiroz Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001, Maharashtra.

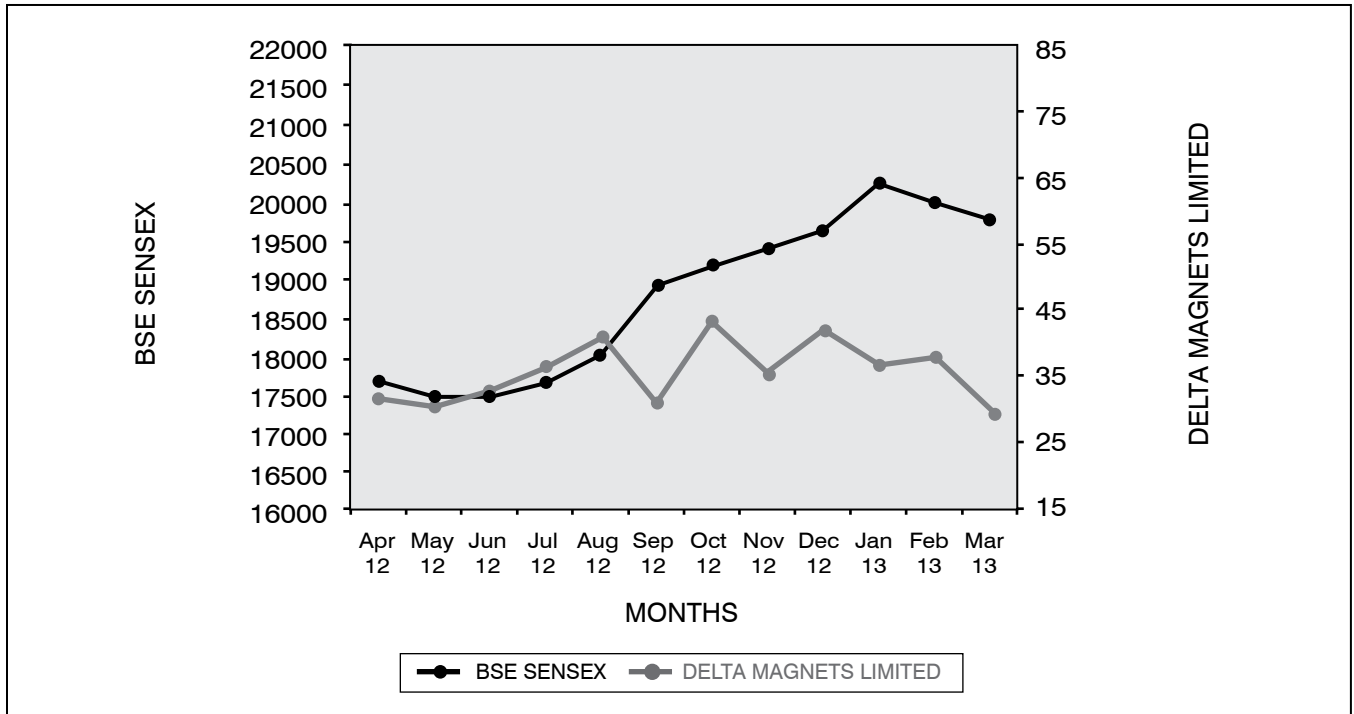
Scrip Code : 504286

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051, Maharashtra.

Scrip Symbol : DELTAMAGNT

Stock Market Price data : High /Low during each month for the financial year ended 31st March, 2013

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	31.60	23.95	25.00	22.00
May 2012	30.30	24.45	27.50	22.50
June 2012	32.75	25.55	29.00	27.00
July 2012	36.25	30.45	36.45	25.65
August 2012	40.80	28.70	36.00	29.00
September 2012	30.90	25.50	33.50	27.00
October 2012	43.20	32.40	38.00	33.50
November 2012	35.40	28.45	29.90	27.10
December 2012	42.00	29.00	38.00	28.05
January 2013	36.70	30.05	35.90	33.00
February 2013	37.90	28.15	33.05	28.35
March 2013	30.00	26.50	31.50	31.50



Share Transfer Agents

Freedom Registry Limited
 Plot No. 101 / 102, 19th Street,
 MIDC, Satpur,
 Nasik - 422 007, Maharashtra

Tel: (0253) 2354032, 2363372
 Fax: (0253) 2351126
 Email: support@freedomregistry.in

Share Transfer Process

Shares in physical form are processed by the Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. Chairman, Managing Director and Company Secretary have been severally empowered to approve transfers. The same shall be ratified by the Investors Grievances Committee.

Distribution of Equity Shareholding according to Numbers as at 31st March, 2013

Category	No. of holders	Percentage	No of shares held in that slab	% to total number of shares
1 to 5000	4056	98.66	978621	16.11
5001 to 10000	29	0.71	207359	3.41
10001 to 20000	13	0.32	175336	2.89
20001 to 50000	6	0.14	210513	3.47
50001 to 100000	2	0.05	159978	2.63
100001 & above	5	0.12	4341856	71.49
TOTAL	4111	100.00	6073663	100.00

Distribution of Equity Shareholding according to categories of Shareholders as at 31st March, 2013

Sr. No.	Category of Shareholder	Number of Share holders	Number of shares	%
(A)	Shareholding of Promoter and Promoter Group	6	4238979	69.79
(B)	Public shareholding			
1	Institutions			
	(a) Mutual Funds/ UTI	5	7375	0.12
	(b) Financial Institutions / Banks	2	1750	0.03
	(c) Insurance Companies	0	0	0
	(d) Foreign Institutional Investors	0	0	0
2	Non-Institutions			
	(a) Bodies Corporate	80	374503	6.17
	(b) Individuals	0	0	0
	(i) holding nominal share capital up to ₹ 1 Lacs	3991	1089109	17.93
	(ii) holding nominal share capital in excess of ₹ 1 Lacs	17	357157	5.88
	(c) NRI's	10	4790	0.08
	Total Public Shareholding	4105	1834684	30.21
	TOTAL (A) + (B)	4111	6073663	100

Dematerialisation of shares and liquidity

As on 31st March, 2013, 5,729,248 Equity Shares (94.33 % of the total number of shares) are in demat form as compared to 4,507,279 Equity Shares (92.73 % of the total number of shares) as on 31st March, 2012.

Outstanding GDRs/ ADRs / Warrants or any convertible instruments

The Company has not issued any GDR's/ADR's, Warrants or any convertible instruments during the financial year ended 31st March, 2013.

Plant Location

Delta Magnets Limited
B-87, MIDC, Ambad,
Nasik - 422 010

Investor Correspondence

Shareholders can contact the following official for secretarial matters of the Company.

Name	Address	Telephone No. / Fax No.	Email id
Ms. Snehal Oak Company Secretary & Compliance Officer	Bayside Mall, 1 st Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai - 400 034 Maharashtra.	(022) 4079 4700 (022) 4079 4777	secretarial@ deltamagnets.com

DECLARATION

I, Dr. Ram H. Shroff, Managing Director of Delta Magnets Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended 31st March, 2013.

For Delta Magnets Limited

**Dr. Ram H. Shroff
Managing Director**

Date: 7th May, 2013

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **Delta Magnets Limited**

We have examined the compliance of conditions of Corporate Governance by **Delta Magnets Limited** for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Hitesh D. Buch
Proprietor**

**For Hitesh Buch & Associates
Company Secretaries
FCS 3145; COP No. 8195**

Date: 7th May, 2013
Place: Ahmedabad

INDEPENDENT AUDITORS' REPORT

To the Members of Delta Magnets Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Delta Magnets Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('Order'), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and

records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Act, we report that:

- a) we have 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 appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956 on the said date.

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

(Amit Desai)
Proprietor
M.No. 032926

Mumbai: 7th May, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a policy to carry out a physical verification of fixed assets in a phased manner at a regular interval which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) The management has carried out physical verification of the inventory at reasonable intervals during the year.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company maintains proper records of inventory. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and these have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clause (iii), (b) (c) and (d) of the Order (as amended) are not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us, the Company has taken a loan from one of its Subsidiary Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 8,500('000) and the year end balance of loans taken from such party was ₹ 500('000).
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie, prejudicial to the interest of the Company.
- (d) The loan taken is repayable on demand. As informed, the lender has not demanded any repayment of loan during the year. Hence due to such stipulation, we are unable to state about the regularity of repayment.
- (e) There is no overdue amount of loan to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts or arrangements exceeding the value of Rupees Five Lakhs and the same are made at the prices which are reasonable having regards to the prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA and directions issued by the Reserve Bank of India or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of Clause 4(vi) of the Order (as amended) are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding as at the year end, of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (₹ in thousands)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2329.86	Assessment Years 1990-91, 1994-95 and 1995-96	Mumbai High Court
Income Tax Act, 1961	Income Tax	17.87	Assessment Year 2011-12	Rectification u/s 154 is pending before the Assessing Officer
Central Sales Tax, 1956	Central Sales Tax	60.42	Financial Year 2001-02	Jt. Commissioner of Sales Tax (Appeal)

- (x) The Company has accumulated losses which exceeds 50% of its net worth at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) On the basis of our examination and according to the information and explanations given to us, the Company has obtained the loan facilities from a bank and has not defaulted in repayment of its dues. The Company has not obtained any borrowings from financial institutions or by way of debentures.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order (as amended) are not applicable to the Company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, the Company did not deal or trade in it. Accordingly, the provisions of Clause 4(xiv) of the Order (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loan taken by others from a bank or financial institutions. Accordingly, the provisions of Clause 4(xv) of the Order (as amended) are not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the provisions of Clause 4(xvi) of the Order (as amended) are not applicable to the Company.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued debentures during the year. Accordingly, the provisions of Clause 4(xix) of the Order (as amended) are not applicable to the Company.
- (xx) During the year the Company has not raised any money by way of public issue. Accordingly, the provisions of Clause 4(xx) of the Order (as amended) are not applicable to the Company.
- (xxi) 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 explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

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

(Amit Desai)
Proprietor

M.No. 032926

Mumbai: 7th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in '000)

Particulars	Note No.	As at 31 st March, 2013		As at 31 st March, 2012	
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	2	60,736.63		48,608.63	
(b) Reserves and Surplus	3	177,658.86	238,395.49	162,224.80	210,833.43
Non-Current Liabilities					
(a) Long-Term Borrowings	4	105,875.00		129,875.00	
(b) Long-Term Provisions	5	4,089.40	109,964.40	3,983.65	133,858.65
Current Liabilities					
(a) Short-Term Borrowings	6	15,628.79		9,964.54	
(b) Trade Payables	7	10,998.54		4,772.40	
(c) Other Current Liabilities	8	13,118.88		9,568.27	
(d) Short-Term Provisions	9	1,082.79	40,828.99	1,064.33	25,369.55
TOTAL			389,188.88		370,061.63
II. ASSETS					
Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		166,548.52		163,106.39	
(ii) Capital Work-in-Progress		5,656.35		9,266.59	
(iii) Intangible Assets under Development		21.00		-	
		172,225.87		172,372.98	
(b) Non-Current Investments	11	139,794.65		139,794.65	
(c) Deferred Tax Assets (Net)	12	4,821.00		4,821.00	
(d) Long-Term Loans and Advances	13	3,679.76	320,521.27	3,422.56	320,411.20
Current Assets					
(a) Current Investments	14	4,210.63		-	
(b) Inventories	15	24,201.75		18,578.50	
(c) Trade Receivables	16	33,053.67		25,872.28	
(d) Cash and Bank Balances	17	925.50		749.81	
(e) Short-Term Loans and Advances	18	6,188.49		4,358.81	
(f) Other Current Assets	19	87.57	68,667.61	91.03	49,650.43
TOTAL			389,188.88		370,061.63
Significant Accounting Policies and Notes on Financial Statements	1 to 28				

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

(Amit Desai)
Proprietor

Mumbai: 7th May, 2013

Snehal Oak
Company Secretary

For Delta Magnets Limited

Jaydev Mody
Chairman

Mahesh Gupta
Director

Ambika Kothari
Director

Dr. Ram H. Shroff
Managing Director

Rajesh Jaggi
Director

Javed Tapia
Director

Urvi Piramal
Director

Darius Khambatta
Director

Vrajesh Udani
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Particulars	Note No.	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
INCOME:			
Revenue From Operations (Gross)	20	156,674.44	138,353.59
Less: Excise Duty		(15,912.86)	(12,635.59)
Revenue From Operations (Net)		140,761.57	125,718.00
Other Income	21	917.05	2,438.25
Total Revenue		141,678.62	128,156.25
EXPENSES:			
Cost of Raw Materials Consumed	22	20,826.23	17,016.74
Changes In Inventories of Finished Goods, Work-in-Progress	23	(5,675.47)	(2,316.95)
Employee Benefits Expense	24	36,725.50	33,284.76
Finance Costs	25	1,655.47	4,037.34
Depreciation and Amortization Expense	26	9,169.86	9,899.68
Other Expenses	27	84,481.66	74,230.61
Total Expenses		147,183.24	136,152.17
Loss Before Exceptional, Extraordinary Items and Tax		(5,504.62)	(7,995.92)
Exceptional Items		-	-
Loss Before Extraordinary Items and Tax		(5,504.62)	(7,995.92)
Extraordinary Items		-	-
Loss Before Tax		(5,504.62)	(7,995.92)
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Loss After Tax		(5,504.62)	(7,995.92)
Prior Period Items		189.29	78.36
Loss For The Period		(5,693.92)	(8,074.28)
Earning Per Equity Share: (Face Value of ₹10/- Each)			
Basic & Diluted		(1.00)	(1.66)
Significant Accounting Policies and Notes to the Financial Statements	1 to 28		

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

(Amit Desai)
Proprietor

Mumbai: 7th May, 2013

Snehal Oak
Company Secretary

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Director

Javed Tapia
Director

Urvi Piramal
Director

Darius Khambatta
Director

Vrajesh Udani
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2013		Year Ended 31 st March, 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit/(Loss) Before Tax and Extraordinary Items		(5,504.62)		(7,995.92)
	Adjustments For :				
	Depreciation and Amortization		9,169.86		9,899.68
	Loss/ (Profit) on Sale of Fixed Asset		135.85		(473.57)
	Employee Benefits		1,581.59		3,686.55
	Finance Costs		1,655.47		4,037.34
	Mutual Fund Dividend Income		(660.63)		-
	Interest Income	(139.95)	11,742.19	(109.41)	17,040.58
	Operating Profit Before Working Capital Changes		<u>6,237.57</u>		<u>9,044.66</u>
	Adjustments For Working Capital :				
	Trade and Other Receivables		(9,264.81)		21,356.79
	Inventories		(5,623.25)		(3,581.18)
	Trade Payables and Other Current Liabilities		8,319.36		(4,016.33)
	Taxes Paid		-		(4.28)
	Prior Period Expense	(29.17)	(6,597.87)	(78.36)	13,676.63
	Net Cash Flow/(Used) From Operating Activites		<u>(360.31)</u>		<u>22,721.29</u>
B. CASH FLOW FROM INVESTING ACTIVITIES					
	Purchase of Fixed Assets, Capital Work in Progress		(10,515.22)		(13,703.86)
	Sale of Fixed Assets		582.78		473.57
	Mutual Fund Dividend Income		660.64		-
	Interest Income		139.95		109.41
	Purchase of Current Investments		(4,210.63)		-
	Net Cash Flow/(Used) From Investing Activities		<u>(13,342.48)</u>		<u>(13,120.87)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Finance Cost	(1,655.47)	(4,037.34)
	Proceedings/(Repayment) From Long-Term Borrowing	(24,000.00)	(21,623.17)
	Proceedings/(Repayment) From Short-Term Borrowing	5,664.24	9,830.90
	Proceeds from Issuance of Equity Share Capital	34,079.69	-
	Share Issue Expenses	(209.98)	-
	Net Cash Flow/(Used) From Financing Activities	13,878.48	(15,829.60)
	Net Changes In Cash and Cash Equivalents (A+B+C)	175.69	(6,229.18)
	Cash And Cash Equivalents - Opening Balance	749.81	6,978.99
	Cash And Cash Equivalents - Closing Balance	925.50	749.81
Cash and Cash Equivalents Includes:			
	Balances with Banks	227.89	278.24
	Cash on Hand	31.79	71.57
	Deposit Account	665.82	400.00
	(Fixed Deposits with maturity more than 3 months but less than 12 months)		
		925.50	749.81

Notes:

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

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

(Amit Desai)
Proprietor

Mumbai: 7th May, 2013

Snehal Oak
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Jaydev Mody
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Director

Javed Tapia
Director

Urvi Piramal
Director

Darius Khambatta
Director

Vrajesh Udani
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India ("GAAP"), the Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India and the applicable relevant provisions of the Companies Act, 1956.

b. Revenue Recognition

Income from sale of goods is recognized upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Income from services is recognized when service provided and there is no uncertainty as to its Ultimate collectability. Interest and other income are recognized on accrual basis.

c. Fixed Assets

All fixed assets are stated at cost of acquisition and include amounts added on revaluation, less accumulated depreciation, and impairment loss, if any. In the case of fixed assets acquired for new projects / expansion, finance cost on borrowings and other related expenses up to the date of commercial production, incurred towards acquiring fixed assets are capitalized.

Capital Work-In-Progress

Expenses incurred for acquisition of Capital Assets outstanding at each balance sheet date are disclosed under Capital Work-in-Progress. Advances given towards the acquisition of Fixed Assets are shown separately as Capital advances under head long term loans & advances.

d. Depreciation

Depreciation on fixed assets is provided as per the straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

e. Retirement Benefits

Retirement benefit in the form of contribution to Provident Fund is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company has Gratuity Scheme with Life Insurance Corporation of India. Liabilities with regard to Gratuity plan and Leave Encashment are determined by actuarial valuation at each Balance Sheet date. Short term and Long term employee benefits are recognized as expenses in the Statement of Profit and Loss.

f. Inventories

Raw Materials, Stores, Spares, Consumables, Packing Materials, and Work-in-Progress are valued at cost or net realizable value whichever is lower. Cost is ascertained on weighted average basis. Finished Goods are valued at lower of cost or net realizable value. Cost comprises of cost of purchase, cost of conversion, and other cost including manufacturing overheads incurred in bringing them to their present location and

condition. In accordance with Accounting Standard-2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods.

g. Investments

Investments that are readily realizable and intended to be held but not more than a year are classified as Current Investments. All other investments are classified as Long Term Investment. Carrying amount of the individual investment is determined on the basis of the average carrying amount of the total holding of the investments.

h. Impairment of Assets

An asset is treated as impaired when the carrying amount of an asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Accounts in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i. Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the period.

i. Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

ii. Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

iii. Minimum Alternate Tax (MAT)

In case the Company is liable to pay income tax under provision of Minimum Alternate Tax u/s. 115JB of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognized as an asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognized in accordance with the Guidance Note on accounting treatment in respect of Minimum Alternate Tax (MAT) issued by The Institute of Chartered Accountants of India.

j. Contingent Liabilities and Provisions

- i. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and the amount of which can be reliably estimated.
- ii. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future event not wholly within the control of the Company.

-
- iii. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

k. Foreign Currency Transactions:

- i. Foreign exchange transactions are recorded at the closing rate prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account.
- ii. Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the profit and loss account.
- iii. Exchange rate differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the Company's financial statements until the disposal of the net investment.
- iv. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

l. Borrowing Costs

Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the period in which same are incurred.

m. Miscellaneous Expenditure

Preliminary expenditures are fully charged off in the year in which they are incurred.

(₹ in '000)

Particulars		As at	As at
		31 st March 2013	31 st March 2012
2. SHARE CAPITAL			
Authorised Capital			
10,000,000 Equity Shares of ₹ 10/- per share (Previous Year 5,000,000 of ₹ 10/- per share)		100,000.00	50,000.00
5,000,000 Unclassified Shares of ₹ 10/- per share		-	50,000.00
TOTAL		100,000.00	100,000.00
The Number of Shares Issued, Subscribed and Fully Paid	6,073,663		
Par Value Per Share (in ₹)	10	60,736.63	48,608.63
TOTAL		60,736.63	48,608.63

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

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares	(₹ in '000)	No. of Shares	(₹ in '000)
At the Beginning of the Year	4,860,863	48,608.63	4,860,863	48,608.63
Issued During the Year	1,212,800	12,128.00	-	-
Bought Back During the Year	-	-	-	-
Outstanding at the End of the Year	6,073,663	60,736.63	4,860,863	48,608.63

(b) Terms/Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per Share. The Company declares and pays dividends in Indian Rupees. 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 Shareholders Holding More Than 5 % Shares in the Company:

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Aryanish Finance and Investments Private Limited *	1,005,977	16.56	1,005,977	20.70
Bayside Property Developers Private Limited *	1,005,979	16.56	1,005,979	20.70
Delta Real Estate Consultancy Private Limited *	1,005,981	16.56	1,005,981	20.70
SSI Trading Private Limited	1,217,802	20.05	-	-

Note: *Aryanish Finance and Investments Private Ltd, Bayside Property Developers Private Ltd and Delta Real Estate Consultancy Private Ltd are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J. Mody Trust, respectively.

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
3. RESERVES AND SURPLUS		
Capital Reserves :		
Opening Balance	3,504.25	3,504.25
Addition/(Deletion) During the Year	-	-
Closing Balance	3,504.25	3,504.25
Securities Premium Reserve :		
Opening Balance	76,531.45	76,531.45
Add : Securities Premium Credited on Share Issue	21,951.68	-
Less: Premium Utilised for Share Issue and Other Expenses	(209.98)	-
Closing Balance	98,273.15	76,531.45
Revaluation Reserve :		
Opening Balance	130,571.67	131,185.39
Addition/(Deletion) During the Year	(613.72)	(613.72)
Closing Balance	129,957.94	130,571.67
General Reserve :		
Opening Balance	39,075.20	39,075.20
Addition/(Deletion) During the Year	-	-
Closing Balance	39,075.20	39,075.20
Surplus (Debit Balance in Surplus Account) :		
Opening Balance	(87,457.77)	(79,383.49)
Add: Net Profit /(Loss) during the Year	(5,693.92)	(8,074.28)
Closing Balance	(93,151.68)	(87,457.77)
TOTAL	177,658.86	162,224.80
4. LONG TERM BORROWINGS		
Unsecured Loans:		
Loans and Advances from Related Parties (Interest Free)	105,875.00	129,875.00
TOTAL	105,875.00	129,875.00

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
5. LONG TERM PROVISIONS		
Provision for Employee Benefits:		
Group Gratuity	3,065.01	3,183.75
Leave Encashment	1,024.40	799.90
TOTAL	4,089.40	3,983.65
6. SHORT TERM BORROWINGS		
Secured Loan:		
Loans Repayable on Demand		
From a Bank	15,128.79	1,464.54
(Carries Floating Interest @14.50% p.a. It is Secured against first hypothecation charge on the entire Current Assets and Movable Fixed Assets of the Company, both present and future.)		
Unsecured Loan:		
Loans and Advances from Related Parties (Repayable on demand and Interest Free)	500.00	8,500.00
TOTAL	15,628.79	9,964.54
7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	2,763.84	3,003.30
Others	8,234.69	1,769.10
TOTAL	10,998.54	4,772.40

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

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

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
The principal amount remaining unpaid at the end of the year.	2,763.84	3,003.30
The interest amount remaining unpaid at the end of the year.	28.94	86.42
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.	28.94	86.42
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	28.94	86.42
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings - From Others	-	123.17
Duties & Taxes	1,095.09	772.53
Other Current Liabilities	7,898.18	4,773.11
Advance Received from Customers	4,125.62	3,899.47
TOTAL	13,118.88	9,568.27
9. SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Group Gratuity	955.44	581.88
Leave Encashment	127.35	482.45
TOTAL	1,082.79	1,064.33

10. TANGIBLE ASSETS

(₹ in '000)

Tangible Assets	Leasehold Land	Factory Building	Machineries	Plant & Furniture and Fixtures	Equipments	Vehicles	Computers	Total
Cost or Valuation:								
As at 1 st April, 2011	114,558.00	44,257.60	283,808.63	3,792.08	13,787.68	1,632.61	920.42	462,757.04
Additions	-	-	3,355.62	17.15	1,804.09	-	73.94	5,250.79
Disposal	-	-	11,236.53	-	4,471.99	-	-	15,708.52
As at 31 st March, 2012	114,558.00	44,257.60	275,927.72	3,809.23	11,119.78	1,632.61	994.36	452,299.31
Additions	-	-	13,702.20	48.73	340.92	-	12.62	14,104.46
Disposal	-	-	-	5.00	65.34	1,015.73	-	1,086.07
As at 31st March, 2013	114,558.00	44,257.60	289,629.92	3,852.96	11,395.36	616.88	1,006.98	465,317.70
Accumulated Depreciation:								
As at 1 st April, 2011	-	15,683.02	265,225.73	3,440.11	9,408.53	628.18	2.45	294,388.03
Additions	-	1,454.55	8,073.27	66.53	605.50	158.45	155.10	10,513.40
Disposal	-	-	11,893.65	-	3,814.88	-	-	15,708.52
As at 31 st March, 2012	-	17,137.57	261,405.35	3,506.64	6,199.16	786.63	157.55	289,192.91
Charge for the Year *	165.60	1,454.55	7,454.65	69.48	526.10	58.60	214.73	9,943.71
Disposal for the Year	-	-	-	-	24.42	343.02	-	367.44
As at 31st March, 2013	165.60	18,592.11	268,860.00	3,576.12	6,700.83	502.22	372.28	298,769.18

Net Block:

As at 31 st March, 2012	114,558.00	27,120.04	14,522.37	302.59	4,920.62	845.98	836.81	163,106.39
As at 31st March, 2013	114,392.40	25,665.49	20,769.92	276.84	4,694.52	114.66	634.70	166,548.52

The Company has revalued all its Land and Building as on 31/03/2009 at the fair values determined by an independent external Value.

* This amount includes ₹ 160.13 (₹ in '000) for earlier years being the amortisation of the Leasehold Land.

(₹ in '000)

Particulars	Capital WIP			Intangible Assets under Development				
	Opening	Addition	Deduction	Total	Opening	Addition	Deduction	Total
As at 31 st March, 2012	813.53	8,453.07	-	9,266.59	-	-	-	-
As at 31st March, 2013	9,266.59	7,165.56	(10,775.80)	5,656.35	-	21.00	-	21.00

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
11. NON CURRENT INVESTMENTS		
Investments in Subsidiary Companies:		
Trade Investments (At Cost)		
Unquoted Fully Paid-up Equity Shares of:		
MMG India Pvt. Ltd.	76,810.89	76,810.89
(1,38,65,870 Equity Shares of ₹10 each)		
MagDev Ltd. (Foreign Company)	62,983.76	62,983.76
(7,62,500 Equity Shares of £ 1 each, 2,500 Deferred Shares of £ 1 each)		
TOTAL	139,794.65	139,794.65
12. DEFERRED TAX ASSETS (NET)		
Deferred Tax Asset on:		
Carry Forward Losses and Unabsorbed Depreciation	4,821.00	4,821.00
Net Deferred Tax Asset	4,821.00	4,821.00
13. LONG TERM LOANS AND ADVANCES		
Security Deposits (Unsecured, Considered good):		
With Public Bodies	3,674.76	3,417.56
With Others	5.00	5.00
TOTAL	3,679.76	3,422.56
14. CURRENT INVESTMENTS		
Investments in Mutual Funds (Unquoted):		
JP Morgan India Liquid Fund (4,20,730.49 Units, NAV of ₹ 10.0079 per unit)	4,210.63	-
TOTAL	4,210.63	-
15. INVENTORIES		
Raw Materials	386.36	2,035.88
Work-in-Progress	11,728.31	7,896.84
Finished Goods	6,694.62	4,850.62
Stores and Spares, Consumables etc.	5,229.15	3,760.23
Loose Tools	163.31	34.92
TOTAL	24,201.75	18,578.50

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
16. TRADE RECEIVABLES (UNSECURED)		
Over Six Months - Considered Good	906.71	596.96
Over Six Months - Considered Doubtful	71.05	190.61
Less: Provision for Doubtful Debts	(71.05)	(190.61)
Others Receivables - Considered Good	32,146.96	25,275.32
TOTAL	33,053.67	25,872.28
Provision for Doubtful Debts:		
The Company periodically evaluate all customers dues, the need for provision is amended based on various factors including collectability of specific dues, risk, perceptions of the industry in which customer operate, general economy factors.		
17. CASH AND BANK BALANCE		
Cash and Cash Equivalents:		
Balances with Banks	227.89	278.24
Cash on Hand	31.79	71.57
Other Banks Balance:		
Deposit Account	665.82	400.00
(Fixed Deposits with maturity more than 3 months but less than 12 months)		
TOTAL	925.50	749.81
18. SHORT TERM LOANS AND ADVANCES		
Deposit:		
With Public Bodies	1,319.96	985.20
With Others	103.82	67.16
Other Loans and Advances:		
Advance Income Tax	3,507.86	2,138.92
Advances Recoverable in Cash or in Kind or for Value to be Received	1,256.85	1,167.53
TOTAL	6,188.49	4,358.81
19. OTHER CURRENT ASSETS		
Accrued Interest Receivable	87.57	91.03
TOTAL	87.57	91.03

(₹ in '000)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
20. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	144,455.12	131,752.93
Sale of Services	12,000.00	6,000.00
Other Operating Revenues	219.31	600.66
TOTAL	156,674.44	138,353.59
21. OTHER INCOME		
Interest Income	139.95	109.41
Exchange Rate Fluctuation Income	7.71	1,667.97
Net Gain on Sale of Fixed Assets	-	473.57
Dividend from Mutual Funds	660.63	-
Sundry Balance Written back	87.59	185.58
Other Non-Operating Income	21.17	1.72
TOTAL	917.05	2,438.25
22. COST OF MATERIAL CONSUMED		
Opening Stocks	2,035.88	1,829.38
Add: Purchases	19,176.71	17,223.24
	21,212.59	19,052.62
Less: Closing Stocks	(386.36)	(2,035.88)
TOTAL	20,826.23	17,016.74

(₹ in '000)

Particulars	Year Ended 31 st March 2013	Year Ended 31 st March 2012
23. CHANGE IN STOCK OF FINISHED GOODS & WORK-IN-PROGRESS		
Stocks At the End:		
Finished Goods	6,694.62	4,850.62
Work-in-Progress	11,728.31	7,896.84
	(A) 18,422.93	12,747.46
Stocks At the Beginning:		
Finished Goods	4,850.62	3,170.19
Work-in-Progress	7,896.84	7,260.32
	(B) 12,747.46	10,430.51
TOTAL	(A - B) 5,675.47	2,316.95
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	32,327.55	26,746.74
Contribution to Provident and Other Funds	2,371.49	2,059.52
Staff Welfare Expenses	444.86	272.59
Contribution to Gratuity Fund and Leave Encashment	1,581.59	4,205.92
TOTAL	36,725.50	33,284.76
25. FINANCE COSTS		
Interest Expenses	1,378.93	3,138.57
Other Borrowing Costs	276.54	898.76
TOTAL	1,655.47	4,037.34

(₹ in '000)

Particulars	Year Ended 31 st March 2013	Year Ended 31 st March 2012
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation for the Year	9,943.71	10,513.40
Less: Transfer from Revaluation Reserve	(613.72)	(613.72)
Less: Transfer to Prior Period Item	(160.13)	-
TOTAL	9,169.86	9,899.68
27. MANUFACTURING AND OTHER EXPENSES		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	19,948.33	20,198.83
Power and Fuel	50,422.92	41,951.84
Rates, Taxes and Water Charges	248.81	310.13
Repairs and Maintenance		
- Plant & Machinery	2,972.07	2,810.62
- Building	402.90	409.64
- Others	78.13	88.11
Excise Duty variation on Opening / Closing Stock	202.85	237.55
Insurance Charges	169.34	129.23
Travelling Expenses	1,747.68	1,049.45
Freight Charges	2,700.32	2,984.39
Directors' Sitting Fees	96.00	76.00
Bad Debts	12.74	123.96
Loss on sale of Fixed Assets	135.85	-
Miscellaneous Expenses	3,105.89	2,112.79
Payments to Auditor		
- As Auditor	120.00	110.00
- For Taxation Matters	17.74	33.00
- For Other Services	73.09	111.81
- For Reimbursement of Expenses	7.81	7.58
	218.64	262.39
Legal & Professional Fees	2,019.22	1,485.71
TOTAL	84,481.66	74,230.61

28. NOTES TO FINANCIAL STATEMENTS:

A. Contingent Liabilities

(Excluding interest and penalty on the respective amount if any arrived upon the final outcome)

- i. Disputed (net) demands for Income tax pending with various Appellate authorities ₹ 2,347.73 ('000) ((Previous year ₹ 2,329.86('000)).
- ii. Disputed service tax demand ₹ Nil ((Previous years ₹ 2,826.10('000)).
- iii. Disputed (net) demands for Sales Tax (CST) - ₹60.42 ('000) ((Previous year ₹ Nil ('000)).

B. Value of Direct Imports on C.I.F. Basis

(₹ '000)

Particulars	2012-13	2011-12
i. Raw Materials	8,906.37	8,097.88
ii. Capital Goods	2,180.48	1,490.84
iii. Stores, Spares and Components	1,587.76	1,493.86

C. Consumption of Raw Materials

(₹ '000)

Description	2012-13	2011-12
Ferric Oxide	2,171.05	2,099.91
Special Ferric Oxide	9,030.53	6,137.41
Strontium Carbonate	7,806.37	5,759.19
Semi-Finished Magnets (Imported)	1,100.00	2,338.69
Others	718.29	681.54
TOTAL	20,826.23	17,016.74

- D. The Company is engaged manufacture of hard ferrite magnet, which as per Accounting Standard 17, is considered the only reportable segment. The geographical segment is not relevant as there are no exports.

E. Value of Imported and Indigenous Raw Material, Stores, Spares and Components

(Figures in bracket pertains to previous year)

	Imported		Indigenous		Total	
	(₹ in '000)	%	(₹ in '000)	%	(₹ in '000)	%
Raw Material	8,906.37	42.77	11,919.87	57.23	20,826.24	100.00
	(8,097.88)	(47.59)	(8,918.86)	(52.41)	(17,016.74)	(100.00)
Stores, Spares and Components	1,587.76	7.96	18,360.57	92.04	19,948.33	100.00
	(1,493.86)	(7.40)	(18,704.97)	(92.60)	(20,198.83)	(100.00)

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

(₹ In '000)

Finished Goods	Sales Value	Closing Inventory	Opening Inventory
Hard Ferrite	1,44,455.12	6,694.62	4,850.62
	(1,31,752.93)	(4,850.62)	(3,170.19)

(₹ In '000)

Work-in-Progress	Closing Inventory	Opening Inventory
Hard Ferrite	11,728.31	7,896.84
	(7,896.84)	(7,260.32)

G. Related Party Disclosures :

As required by Accounting Standard – AS 18 'Related Party Disclosure' issued by The Institute of Chartered Accountants of India, are as follows:

List of Related Parties with whom transactions have taken place during the year:

(i) Subsidiaries:

- MMG India Pvt. Ltd. (MMG I)
- MagDev Ltd. (MagDev UK)

(ii) Key Management Personnel:

- Capt. R Barick - Whole-Time Director (Up to 30th Sept, 2012)

(iii) Individual owning directly or indirectly interest in the voting power that gives him significant Influence:

- Mr. Jaydev Mody (JM) - Chairman
- Mrs. Zia Mody (ZM) - Wife of Chairman
- Mrs. Urvi Piramal (UP) - Sister of Chairman
- Dr. Ram H. Shroff - Executive Vice Chairman & Managing Director

(iv) Enterprises over which Key Management Personnel/Individual or their Relatives mentioned in (a) Or (b) above exercise Significant Influence:

- AZB and Partners (AZB)
- Freedom Registry Limited (FRL)
- Aarti Managements Pvt. Ltd (AAMPL)
- Aditi Managements Pvt. Ltd.(ADMPL)
- Anjoss Trading Co (ATC)
- Delta Corp Limited (DCL)
- SSI Trading Private Limited (SSI)

Details of transactions carried out with Related Parties in the ordinary course of Business (excluding reimbursements):

(₹ in '000)

Particulars	Subsidiaries		Key Management Personnel		Enterprises Over which individual/Key Management Personnel Exercise Significant Influence		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Remuneration Paid								
Capt. R Barick	-	-	3,658.37	4,431.51	-	-	3,658.37	4,431.51
Sub Total	-	-	3,658.37	4,431.51	-	-	3,658.37	4,431.51
Director Sitting Fees								
J M	-	-	4.00	6.00	-	-	4.00	6.00
U P	-	-	10.00	6.00	-	-	10.00	6.00
Sub Total	-	-	14.00	12.00	-	-	14.00	12.00
Sale of Services								
M M G – I	12,000.00	6,000.00	-	-	-	-	12,000.00	6,000.00
Sub Total	12,000.00	6,000.00	-	-	-	-	12,000.00	6,000.00
Purchase of Goods								
M M G – I	-	112.51	-	-	-	-	-	112.51
Sub Total	-	112.51	-	-	-	-	-	112.51
Issue of Equity Shares with Security Premium								
SSI	-	-	-	-	34,079.69	-	34,079.69	-
Sub Total	-	-	-	-	34,079.69	-	34,079.69	-
Professional Fees Paid								
A Z B	-	-	-	-	91.29	-	91.29	-
F R L	-	-	-	-	54.37	68.27	54.37	68.27
Sub Total	-	-	-	-	145.66	68.27	145.66	68.27
Sharing of Resources #								
D C L	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-
Loan Received								
M M G – I	1,000.00	11,500.00	-	-	-	-	1,000.00	11,500.00
Sub Total	1,000.00	11,500.00	-	-	-	-	1,000.00	11,500.00
Repayment of Loan								
M M G – I	9,000.00	-	-	-	-	-	9,000.00	-
A A M P L	-	-	-	-	24,000.00	-	24,000.00	-
Sub Total	9,000.00	-	-	-	24,000.00	-	33,000.00	-

(₹ in '000)

Particulars	Subsidiaries		Key Management Personnel		Enterprises Over which individual/Key Management Personnel Exercise Significant Influence		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Loan – Received Back								
MagDev UK	-	20,162.63	-	-	-	-	-	20,162.63
Sub Total	-	20,162.63	-	-	-	-	-	20,162.63
Outstanding as on 31st March								
Loan Payable								
A A M P L	-	-	-	-	19,875.00	43,875.00	19,875.00	43,875.00
A D M P L	-	-	-	-	43,000.00	43,000.00	43,000.00	43,000.00
A T C	-	-	-	-	43,000.00	43,000.00	43,000.00	43,000.00
M M G – I	500.00	8,500.00	-	-	-	-	500.00	8,500.00
Sub Total	500.00	8,500.00	-	-	105,875.00	129,875.00	106,375.00	138,375.00
Expenses Payable								
F R L	-	-	-	-	12.14	12.81	12.14	12.81
Sub Total	-	-	-	-	12.14	12.81	12.14	12.81

Transactions are of non monetary consideration.

H. Earnings Per Share (Basic and Diluted)

(₹ in '000 unless specified)

Particulars	2012-13	2011-12
Net Profit / (Loss) after tax for the year	(5,693.92)	(8,074.28)
Weighted Average Number of Equity Shares	5,718,130	4,860,863
Earnings Per Share – Basic & Diluted (₹)	(1.00)	(1.66)
Nominal Value per Equity Share (₹)	10	10

- I. In accordance with Accounting Standard-22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the year.

The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on 31st March, 2013 are as follows:

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
Deferred Tax Asset on:		
Carry Forward Losses and Unabsorbed Depreciation	4,821.00	4,821.00
Net Deferred Tax Asset	4,821.00	4,821.00

Deferred Tax Asset recognized on carried forwards losses on the basis of Management's reasonable certainty that sufficient future taxable income will be available.

J. Employee Benefits

Disclosure required under Accounting Standard -15 (Revised 2005) for "Employee Benefits" are as under:

- i. The Company has recognized the expected liability arising out of the compensated absence and Gratuity as at 31st March, 2013 based on actuarial valuation carried out using the Project Credit Method.
- ii. The below disclosure have been obtained from independent actuary. The other disclosures are made in accordance with AS - 15 (Revised) pertaining to the Defined Benefit Plan is as given below :

(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		(Funded)	(Funded)	(Unfunded)	(Unfunded)
		2012-13	2011-12	2012-13	2011-12
1	Assumptions :				
	Discount Rate	8.25%	8.50%	8.25%	8.50%
	Salary Escalation	5.00%	5.00%	5.00%	5.00%
2	Change in Benefit Obligation :				
	Liability at the beginning of the year	8,401.15	4,834.22	1,282.35	530.22
	Interest Cost	714.10	398.82	109.00	43.74
	Current Service Cost	509.22	300.88	250.94	120.32
	Benefit Paid	(252.12)	(107.89)	(220.70)	(141.62)
	Actuarial (Gain) / Loss on obligations	(158.81)	2,975.12	(269.85)	729.69
	Liability at the end of the year	9,213.54	8,401.15	1,151.74	1,282.35
3	Amount recognized in the Balance Sheet :				
	Liability at the end of the year	9,213.54	8,401.15	1,151.74	1,282.35
	Fair value of Plant Assets at the end of the year	5,193.10	4,635.52	-	-
	Difference	(4,020.44)	(3,765.63)	(1,151.74)	(1,282.35)
	Amount recognized in the Balance Sheet	4,020.44	3,765.63	1,151.74	1,282.35
4	Expenses recognized in the Profit and Loss Account :				
	Current Service Cost	509.22	300.88	250.94	120.32
	Interest Cost	714.10	398.82	109.00	43.74
	Expected return on Plan assets	(398.66)	(320.24)	-	-
	Actuarial (Gain) or Loss	(172.57)	2,932.71	(269.85)	729.69
	Expenses recognized in the Profit and Loss Account	652.09	3,312.17	90.09	893.75

(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		(Funded)	(Funded)	(Unfunded)	(Unfunded)
		2012-13	2011-12	2012-13	2011-12
5	Balance Sheet Reconciliation :				
	Opening Liability	3,765.63	831.21	1,282.35	530.22
	Expenses as above	652.09	3,312.17	90.09	893.75
	Employer's Contribution	(397.28)	(377.75)	(220.70)	(141.62)
	Closing Net Liability	4,020.44	3,765.63	1,151.74	1,282.35

iii. Under Defined Contribution Plan

(₹ in '000)

Particulars	2012-13	2011-12
Contribution to Provident Fund	1,671.88	1,443.44
Contribution to ESIC	552.24	486.44

- K. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 23st February 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956. Necessary information relating to subsidiaries has been included in the Consolidated Financial Statements.
- L. The previous year's figures have been reworked, regrouped, rearranged, recasted and reclassified wherever necessary to conform to the current year's classifications.

For Delta Magnets Limited

Mumbai: 7th May, 2013Snehal Oak
Company SecretaryJaydev Mody
ChairmanMahesh Gupta
DirectorAmbika Kothari
DirectorDr. Ram H. Shroff
Managing DirectorRajesh Jaggi
DirectorJaved Tapia
DirectorUrvi Piramal
DirectorDarius Khambatta
DirectorVrajesh Udani
Director

FINANCIAL INFORMATION OF SUBSIDIARIES

(₹ in '000)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital Reserves	Total Liabilities	Total Assets	Investment	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country of Company
1.	MMG India Pvt. Ltd.	INR	138,658.70 (41,335.45)	28,763.83	126,087.09	-	113,290.65	(9,035.12)	(1,127.68)	(10,12.80)	-	India
2.	Magdev Limited	GBP	765.00	698.71	1,679.32	-	2,543.87	34.12	-	34.12	-	UK
		INR	55,025.61	57,518.79	138,242.73	-	208,750.75	2,799.75	-	2,799.75	-	

Exchange Rate for One GBP (£) as on 31.03.2013 Closing Rate ₹ 82.3209 Average Rate ₹ 82.0605

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DELTA MAGNETS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Delta Magnets Limited ("the Company"), and its subsidiaries (the Company and its Subsidiaries constitute "the group", which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Delta Magnets Limited and its subsidiaries.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note No.13 to the financial statement, with regards to MAT Credit Entitlement of Rs.2812.52 ('000) based on the judgment of management. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of one foreign subsidiary, which reflect total assets of Rs. 1,38,242.73 ('000) as at 31st March, 2013, total revenue of Rs. 2,08,750.75 ('000) and Net Cash inflow of Rs. 3,730.03 ('000) for the year ended and was audited by other auditors who have furnished their report to us. We have not audited the financial statements of this subsidiary and the opinion is based solely on the report of the other auditor.

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

(Amit Desai)
Proprietor
M.No. 032926

Mumbai: 7th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in '000)

Particulars	Note No.	As at 31 st March, 2013		As at 31 st March, 2012	
I EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	2	60,736.63		48,608.63	
(b) Reserves and Surplus	3	231,916.04	292,652.67	223,188.27	271,796.90
Non-Current Liabilities					
(a) Long-Term Borrowings	4	132,796.12		159,847.28	
(b) Long-Term Provisions	5	12,510.09	145,306.21	11,513.25	171,360.53
Current Liabilities					
(a) Short-Term Borrowings	6	15,128.79		1,464.54	
(b) Trade Payables	7	38,532.27		29,895.72	
(c) Other Current Liabilities	8	29,584.59		26,334.04	
(d) Short-Term Provisions	9	1,877.11	85,122.75	1,317.76	59,012.06
TOTAL			523,081.63		502,169.49
II ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	261,153.75		261,533.20	
(ii) Intangible Assets	11	737.95		280.76	
(iii) Capital Work-in-Progress		5,553.35		9,163.59	
(iv) Intangible Assets under Development		21.00		-	
		267,466.04		270,977.50	
(b) Goodwill on Consolidation		17,452.41		17,452.41	
(c) Deferred Tax Assets (Net)	12	15,909.93		15,909.93	
(d) Long-Term Loans and Advances	13	8,516.33	309,344.71	8,671.69	313,011.57
Current Assets					
(a) Current Investments	14	4,210.63		-	
(b) Inventories	15	83,569.33		75,965.18	
(c) Trade Receivables	16	83,869.10		80,867.10	
(d) Cash and Bank Balances	17	22,002.29		19,522.93	
(e) Short-Term Loans and Advances	18	19,523.71		12,395.07	
(f) Other Current Assets	19	561.86	213,736.92	407.64	189,157.92
TOTAL			523,081.63		502,169.49
Significant Accounting Policies and Notes on Financial Statements	1-29				

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

(Amit Desai)
Proprietor

Mumbai: 7th May, 2013

Snehal Oak
Company Secretary

For Delta Magnets Limited

Jaydev Mody
Chairman

Mahesh Gupta
Director

Ambika Kothari
Director

Dr. Ram H. Shroff
Managing Director

Rajesh Jaggi
Director

Javed Tapia
Director

Urvi Piramal
Director

Darius Khambatta
Director

Vrajesh Udani
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Particulars	Note No.	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
INCOME:			
Revenue From Operations (Gross)	20	452,266.80	457,526.03
Less: Excise Duty		(18,818.63)	(15,096.19)
Revenue From Operations (Net)		433,448.17	442,429.84
Other Income	21	4,525.46	6,121.68
Total Revenue		437,973.63	448,551.52
EXPENSES:			
Cost of Raw Materials Consumed	22	45,050.82	51,687.58
Purchase of Stock-in-Trade	23	111,813.15	110,707.64
Changes In Inventories Of Finished Goods, Work-in-Progress And Stock-in-Trade	24	(6,041.38)	(15,053.71)
Employee Benefit Expense	25	115,704.75	109,972.67
Finance Costs	26	4,009.87	6,676.73
Depreciation and Amortization Expense	27	14,742.90	17,602.84
Manufacturing and Other Expenses	28	164,051.81	145,963.51
Total Expenses		449,331.92	427,557.26
Profit Before Exceptional, Extraordinary Items and Tax		(11,358.29)	20,994.26
Exceptional Items		-	-
Profit Before Extraordinary Items and Tax		(11,358.29)	20,994.26
Extraordinary Items		-	-
Profit Before Tax		(11,358.29)	20,994.26
Tax Expense:			
1) Current Tax			
-Income Tax (MAT)		-	2,147.02
-MAT Credit Entitlement		-	(2,869.46)
-Past Year Tax Adjustments		(185.30)	815.76
2) Deferred Tax		-	(11,088.93)
Profit After Tax		(11,172.99)	31,989.87
Prior Period Items		1,477.04	(561.94)
Profit/(Loss) For The Period		(12,650.03)	32,551.81
Earning Per Equity Share: (Face Value of ₹10/- Each)			
Basic & Diluted		(2.21)	6.70
Significant Accounting Policies and Notes on Financial Statements	1 to 29		

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

(Amit Desai)
Proprietor

Mumbai: 7th May, 2013

Snehal Oak
Company Secretary

For Delta Magnets Limited

Jaydev Mody
Chairman

Mahesh Gupta
Director

Ambika Kothari
Director

Dr. Ram H. Shroff
Managing Director

Rajesh Jaggi
Director

Javed Tapia
Director

Urvi Piramal
Director

Darius Khambatta
Director

Vrajesh Udani
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Tax and Extraordinary Items	(11,358.29)	20,994.26
	Adjustments For :		
	Depreciation and Amortization	14,742.90	17,602.84
	Loss/ (Profit) on Sale of Fixed Asset	135.85	(502.26)
	Employee Benefits	3,430.50	6,288.24
	Finance Costs	4,009.87	6,676.73
	Mutual Fund Dividend Income	(660.63)	-
	Interest Income	(1,058.97)	29,048.78
	Operating Profit Before Working Capital Changes	9,241.23	50,043.04
	Adjustments For Working Capital :		
	Trade and Other Receivables	(9,944.21)	2,461.49
	Inventories	(7,604.15)	(16,565.01)
	Trade Payables and Other Current Liabilities	10,012.78	3,757.67
	Taxes Paid	-	(302.90)
	Exchange Rate Difference	249.82	(2,245.23)
	Prior Period (Expense)/ Income	(1,316.91)	561.94
	Net Cash Flow/(Used) From Operating Activities	638.56	37,711.02
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets, Capital Work in Progress	(12,636.37)	(26,468.44)
	Purchase of Intangible Assets	(570.00)	-
	Purchase of Current Investments	(4,210.63)	-
	Sale of Fixed Assets	1,065.28	502.26
	Mutual Fund Dividend Income	660.63	-
	Interest Income	1,058.97	1,016.78
	Net Cash Flow/(Used) From Investing Activities	(14,632.12)	(24,949.41)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance Costs	(4,009.87)	(6,676.73)
	Proceeds from Issuance of Equity Share Capital	34,079.68	-
	Share Issue Expenses	(209.98)	-
	Proceedings / (Repayment) of Long Term Borrowing	(27,051.15)	(21,214.98)
	Proceedings / (Repayment) of Short Term Borrowing	13,664.24	(5,012.14)
	Net Cash Flow/(Used) From Financing Activities	16,472.93	(32,903.86)
	Net Changes In Cash And Cash Equivalents (A+B+C)	2,479.36	(20,142.24)
	Cash And Cash Equivalents - Opening Balance	19,522.93	39,665.17
	Cash And Cash Equivalents - Closing Balance	22,002.29	19,522.93
	Cash and Cash Equivalent includes:		
	Balances with Banks	14,875.12	12,407.59
	Cash On Hand	79.15	141.21
	Deposits (Fixed Deposits with maturity less than 3 months)	2,500.00	400.00
	Deposits (Fixed Deposits with maturity more than 3 months but less than 12 months)	4,548.02	6,574.13
		22,002.29	19,522.93

Notes:

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

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

(Amit Desai)
Proprietor

Mumbai: 7th May, 2013

Snehal Oak
Company Secretary

For Delta Magnets Limited

Jaydev Mody
Chairman

Mahesh Gupta
Director

Ambika Kothari
Director

Dr. Ram H. Shroff
Managing Director

Rajesh Jaggi
Director

Javed Tapia
Director

Urvi Piramal
Director

Darius Khambatta
Director

Vrajesh Udani
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The consolidated financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with Generally Accepted Accounting Principles (“GAAP”) in India and comply with accounting standard prescribed in Companies (Accounting Standards) Rules, 2006 to the extent applicable and the provisions of The Companies Act, 1956.

b. Principles of Consolidation

The consolidated financial statements related to Delta Magnets Limited (“the Company”) and its subsidiary companies have been prepared on following basis:

- i) The financial statements of the Company and its subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.
- iii) The difference between the costs of the investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of the disposal is recognized in the consolidated statement of Profit and Loss account.
- v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

c. Revenue Recognition

- i) Sale of Products and Services is recognized when significant risks and rewards of ownership of products are passed on to customers or when the full / complete services have been provided. Sales are stated at contractual realizable value.
- ii) Interest income is generally recognized on time proportion method.
- iii) Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance.

d. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Finance cost relates to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready to be put to use.

Capital Work - In- Progress

Expenses incurred for acquisition of Capital Assets outstanding at each balance sheet date are disclosed under Capital Work-in-Progress. Advances given towards the acquisition of Fixed Assets are shown separately as Capital advances under head long term loans & advances.

e. Depreciation

Depreciation on fixed assets is provided as per the straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

f. Inventories

- i) Inventories are valued at lower of cost or net realizable value.
- ii) Inventories comprises of Raw Material, Stores, Spares and Consumables, Finished Goods and Work In Progress.
- iii) Cost of inventories comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods.

g. Employee Benefits

Liability is provided for retirement benefits for provident fund, gratuity and leave encashment in respect of all eligible employees. Contributions under the defined contribution schemes are charged to revenue. The liability in respect of defined benefit schemes like gratuity and leave encashment is provided in the accounts on the basis of actuarial valuations as at the year end.

h. Foreign Currency Transactions

- i) Foreign exchange transactions are recorded at the closing rate prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account.
- ii) Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the profit and loss account.
- iii) Exchange rate differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the Company's financial statements until the disposal of the net investment.
- iv) Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

i. Borrowing Costs

Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the year in which same are incurred.

j. Accounting for Taxes on Income

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

i) Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

ii) Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

iii) Minimum Alternate Tax (MAT)

In case the Company is liable to pay income tax under provision of Minimum Alternate Tax u/s. 115JB of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognized as an asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognized in accordance with the Guidance Note on accounting treatment in respect of Minimum Alternate Tax (MAT) issued by The Institute of Chartered Accountants of India.

k. Impairment of Assets

The Company evaluates all its assets for assessing any impairment and accordingly recognizes the impairment, wherever applicable, as provided in Accounting Standard 28, "Impairment of Assets".

l. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and the amount of which can be reliably estimated.

Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future event not wholly within the control of the Company.

Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

m. Operating Leases

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against Profit and Loss Account as per the terms of lease agreement over the period lease.

n. Preliminary Expenditure

Preliminary expenditures are fully charged off in the year in which it has incurred.

(₹ in '000)

Particulars	As at	
	31 st March 2013	31 st March 2012
2. SHARE CAPITAL		
Authorised Capital		
10,000,000 Equity Shares of ₹ 10/- per share		
(Previous Year Equity Shares 5,000,000 of ₹ 10/- per share	100,000.00	50,000.00
5,000,000 Unclassified Shares of ₹10/- per share	-	50,000.00
Total Authorised Capital	100,000.00	100,000.00
The Number of Shares Issued, Subscribed and Fully Paid	6,073,663	
Par Value Per Share (in ₹)	10	
TOTAL	60,736.63	48,608.63

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

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares	(₹ in '000)	No. of Shares	(₹ in '000)
At the Beginning of the Year	4,860,863	48,608.63	4,860,863	48,608.63
Issued During the Year	1,212,800	12,128.00	-	-
Bought Back During the Year	-	-	-	-
Outstanding at the End of the Year	6,073,663	60,736.63	4,860,863	48,608.63

(b) Terms/Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per Share. The Company declares and pays dividends in Indian Rupees. 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 Shareholders Holding More Than 5 % Shares in the Company:

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Aryanish Finance and Investments Private Limited *	1,005,977	16.56	1,005,977	20.70
Bayside Property Developers Private Limited *	1,005,979	16.56	1,005,979	20.70
Delta Real Estate Consultancy Private Limited *	1,005,981	16.56	1,005,981	20.70
SSI Trading Private Limited	1,217,802	20.05	-	-

Note: *Aryanish Finance and Investments Private Ltd, Bayside Property Developers Private Ltd and Delta Real Estate Consultancy Private Ltd are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J. Mody Trust, respectively.

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
3. RESERVES AND SURPLUS		
Capital Reserves :		
Opening Balance	3,504.25	3,504.25
Addition/(deletion) during the year	-	-
Closing Balance	3,504.25	3,504.25
Securities Premium Reserve :		
Opening Balance	76,531.45	76,531.45
Add : Securities Premium Credited on Share issue	21,951.68	-
Less: Premium Utilised for Share Issue And Other Expenses	(209.98)	-
Closing Balance	98,273.15	76,531.45
Revaluation Reserve :		
Opening Balance	130,571.67	131,185.39
Addition/(deletion) during the year	(613.72)	(613.72)
Closing Balance	129,957.94	130,571.67
General Reserves :		
Opening Balance	39,075.20	39,075.20
Addition/(deletion) during the year	-	-
Closing Balance	39,075.20	39,075.20
Foreign Currency Translation Reserve :		
Opening Balance	(2,242.71)	2.52
Addition/(deletion) during the year	249.82	(2,245.23)
Closing Balance	(1,992.89)	(2,242.71)
Surplus (Debit Balance in Surplus Account) :		
Opening Balance	(24,251.58)	(56,803.40)
Add: Net Profit /(Loss) during the Year	(12,650.03)	32,551.81
Closing Balance	(36,901.62)	(24,251.58)
TOTAL	231,916.04	223,188.27

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
4. LONG TERM BORROWINGS		
Secured Term Loans:		
From a Bank	26,921.12	29,972.28
[Term Loan of £ 434K @ Interest 3.8% over base rate, base rate currently 5% (Repayment terms are 19 quarterly installments of £14248.32 Which covers loan and interest, last installment is due on March 2016) Security offered First Charge on Entire Building in Swindon, United Kingdom]		
Unsecured Loans:		
Loans and Advances from Related Parties (Interest Free)	105,875.00	129,875.00
TOTAL	132,796.12	159,847.28
5. LONG TERM PROVISIONS		
Provision for Employee Benefits :		
Group Gratuity	9,935.21	9,172.22
Leave Encashment	2,574.88	2,341.03
TOTAL	12,510.09	11,513.25
6. SHORT TERM BORROWINGS		
Secured Loan:		
Loans Repayable on Demand		
From a Bank	15,128.79	1,464.54
(Carries Floating Interest @14.50% p.a . It is Secured against first hypothecation charge on the entire Current Assets and Movable Fixed Assets of the Company, both present and future)		
TOTAL	15,128.79	1,464.54
7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	4,703.17	3,106.01
Others	33,829.10	26,789.71
TOTAL	38,532.27	29,895.72

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

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

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
The principal amount remaining unpaid at the end of the year.	4,703.17	3,106.01
The interest amount remaining unpaid at the end of the year.	45.20	95.24
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.	45.20	95.24
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	45.20	95.24
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings - From Others	-	123.17
Duties & Taxes	7,465.23	4,671.07
Other Current Liabilities	13,302.02	12,994.09
Advance Received from Customers	4,125.62	3,899.47
Loans repayable on demand from bank	4,691.72	4,646.24
TOTAL	29,584.59	26,334.04
9. SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Group Gratuity	1,668.15	738.18
Leave Encashment	208.95	579.58
TOTAL	1,877.11	1,317.76

10. TANGIBLE ASSETS

(₹ in '000)

Tangible Assets	Freehold Land & Building	Factory Building	Leasehold Land & Building	Plant & Machinery	Furniture & Fittings	Equipments	Vehicle	Computers	Total
Cost or Valuation:									
As at 1 st April, 2011	60,720.23	72,439.00	118,873.73	568,427.57	10,374.54	19,994.65	2,244.81	10,156.82	863,231.37
Additions	10,898.22	-	-	3,840.65	52.94	2,346.11	-	643.57	17,781.48
Disposal	-	-	4,315.73	28,598.78	24.60	4,471.99	-	107.37	37,518.47
As at 31 st March, 2012	71,618.45	72,439.00	114,558.00	543,669.44	10,402.89	17,868.77	2,244.81	10,693.02	843,494.37
Additions	-	-	-	14,908.80	233.82	834.64	-	248.36	16,225.62
Disposal	-	-	-	2,016.19	5.00	377.04	1,015.73	42.40	3,456.35
As at 31st March, 2013	71,618.45	72,439.00	114,558.00	556,562.05	10,631.71	18,326.37	1,229.07	10,898.99	856,263.64
Accumulated Depreciation:									
As at 1 st April, 2011	-	25,066.73	4,171.88	539,883.20	8,435.52	14,931.00	980.58	7,850.31	601,319.22
Charge for the year	988.97	2,428.69	143.85	11,671.64	446.84	1,077.38	280.89	1,122.15	18,160.43
Disposal for the year	-	-	4,315.73	29,255.89	24.60	3,814.88	-	107.37	37,518.47
As at 31 st March, 2012	988.97	27,495.42	-	522,298.95	8,857.76	12,193.51	1,261.47	8,865.09	581,961.17
Charge for the year *	563.75	2,437.84	165.60	9,486.07	539.08	871.56	181.04	1,159.01	15,403.95
Disposal for the year	-	-	-	1,842.26	-	27.56	343.02	42.40	2,255.23
As at 31st March, 2013	1,552.72	29,933.27	165.60	529,942.77	9,396.84	13,037.51	1,099.49	9,981.70	595,109.90
Net Block:									
As at 31 st March, 2012	70,629.48	44,943.58	114,558.00	21,370.49	1,545.12	5,675.26	983.34	1,827.93	261,533.20
As at 31st March, 2013	70,065.74	42,505.74	114,392.40	26,619.29	1,234.86	5,288.85	129.58	917.29	261,153.75

* This amount includes ₹ 160.13 (₹ in '000) for earlier years being the amortisation of the Leasehold Land.

(₹ in '000)

Particulars	
11. INTANGIBLE ASSETS	
Computer Software	
Cost or Valuation:	
As at 1 st April, 2011	574.42
Additions	336.90
Disposal	-
As at 31 st March, 2012	911.32
Additions	570.00
Disposal	-
As at 31st March, 2013	1,481.32
Accumulated Depreciation:	
As at 1 st April, 2011	574.42
Additions	56.14
Reversal on disposals	-
As at 31 st March, 2012	630.56
Charge for the year	112.81
Disposal for the year	-
As at 31st March, 2013	743.37
Net Block:	
As at 31 st March, 2012	280.76
As at 31st March, 2013	737.95

Capital WIP (₹ in '000)

Particulars	Opening	Addition	Deduction	Total
As at 31 st March, 2012	813.53	8,453.07	(103.00)	9,163.59
As at 31st March, 2013	9,163.59	7,165.55	(10,775.80)	5,553.35

Intangible Assets under Development (₹ in '000)

Particulars	Opening	Addition	Deduction	Total
As at 31 st March, 2012	-	-	-	-
As at 31st March, 2013	-	21.00	-	21.00

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
12. DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability on:		
Difference between book value and tax WDV of Fixed Asset	6,102.49	6,102.49
Total Deferred Tax Liability (A)	6,102.49	6,102.49
Deferred Tax Asset on :		
Carry Forward Losses	22,012.42	22,012.42
Total Deferred Tax Asset (B)	22,012.42	22,012.42
Net Deferred Tax Liability /(Asset) (A-B)	(15,909.93)	(15,909.93)
13. LONG TERM LOANS AND ADVANCES		
Capital Advances	-	300.00
Security Deposits (Unsecured, Considered good):		
With Public bodies	5,698.81	5,486.23
With Others	5.00	16.00
Other Loans and Advances:		
MAT Credit Entitlement	2,812.52	2,869.46
TOTAL	8,516.33	8,671.69
14. CURRENT INVESTMENT		
Investments in Mutual Funds (Unquoted):		
JP Morgan India Liquid Fund (4,20,730.49 Units, NAV of ₹ 10.0079 per unit)	4,210.63	-
TOTAL	4,210.63	-
15. INVENTORIES		
Raw Materials	5,384.96	5,570.10
Work-in-Progress	14,340.03	11,143.82
Finished Goods	21,682.32	16,404.67
Stock-in-Trade (In respect of goods acquired for trading)	33,479.81	35,912.30
Stores and Spares, Consumables etc.	8,518.89	6,899.38
Loose Tools	163.31	34.92
TOTAL	83,569.33	75,965.18

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
16. TRADE RECEIVABLES (UNSECURED)		
Over Six Months - Considered Good	32,997.12	1,609.02
Over Six Months - Considered Doubtful	1,439.81	1,926.22
Less: Provision for Doubtful Debts	(1,439.81)	(1,926.22)
Others Receivables - Considered Good	50,871.98	79,258.08
TOTAL	83,869.10	80,867.10
Provision for Doubtful Debts:		
The Company periodically evaluates all customer dues, the need for provision is amended based on various factors including collectability of specific dues, risk, perceptions of the industry in which customer operates and general economy factors.		
17. CASH AND BANK BALANCE		
Cash and Cash Equivalents:		
Balances with Banks	14,875.12	12,407.59
Cash On Hand	79.15	141.21
Deposits (Fixed Deposits with maturity less than 3 months)	2,500.00	400.00
Other Bank Balances:		
Deposits (Fixed Deposits with maturity more than 3 months but less than 12 months)	4,548.02	6,574.13
TOTAL	22,002.29	19,522.93
18. SHORT TERM LOANS AND ADVANCES		
Deposit:		
With Public Bodies	1,319.96	985.20
With Others	103.82	67.16
Other Loans and Advances:		
Advance to Employees	-	692.38
Balance with Statutory Authorities	14,068.28	7,024.98
Advances Recoverable in Cash or in Kind or for Value to be Received	4,031.66	3,625.35
TOTAL	19,523.71	12,395.07
19. OTHER CURRENT ASSETS		
Accrued Interest Receivable	535.35	381.14
Other Recoverables	26.52	26.50
TOTAL	561.86	407.64

(₹ in '000)

Particulars	Year Ended 31 st March 2013	Year Ended 31 st March 2012
20. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	442,421.99	451,709.58
Sale of Services	9,463.23	4,736.74
Other Operating Revenues	381.58	1,079.71
TOTAL	452,266.80	457,526.03
21. OTHER INCOME		
Interest Income	1,058.97	1,016.78
Exchange Rate Fluctuation Income	7.71	-
Profit on Sale of Fixed Assets	-	502.26
Spares Sales	781.78	1,081.63
Dividend from Mutual Funds	660.63	-
Other Non-Operating Income	2,016.37	3,521.01
TOTAL	4,525.46	6,121.68
22. COST OF MATERIAL CONSUMED		
Opening Stocks	5,570.10	4,236.46
Add: Purchases	44,865.68	53,021.22
	50,435.78	57,257.68
Less: Closing Stocks	(5,384.96)	(5,570.10)
TOTAL	45,050.82	51,687.58
23. PURCHASE OF TRADED GOODS		
Ferrite	111,813.15	110,707.64
TOTAL	111,813.15	110,707.64

(₹ in '000)

Particulars	Year Ended 31 st March 2013	Year Ended 31 st March 2012
24. CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stocks At the End:		
Finished Goods	21,682.32	16,404.67
Stock-in-Trade	33,479.81	35,912.30
Work-in-Progress	14,340.03	11,143.82
	(A) 69,502.16	63,460.78
Stocks At the Beginning:		
Finished Goods	16,404.67	9,713.09
Stock-in-Trade	35,912.30	27,261.05
Work-in-Progress	11,143.82	11,432.93
	(B) 63,460.78	48,407.07
TOTAL	(A - B) 6,041.39	15,053.71
25. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	98,049.76	85,613.74
Contribution to Provident and Other Funds	11,087.04	12,475.69
Staff Welfare expenses	3,137.44	3,676.01
Contribution to Gratuity Fund and Leave Encashment	3,430.50	8,207.23
TOTAL	115,704.75	109,972.67
26. FINANCE COSTS		
Interest Expense	2,857.97	4,795.23
Other Borrowing Costs	1,151.89	1,881.51
TOTAL	4,009.87	6,676.73
27. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation for the Year	15,516.75	18,216.57
Less: Transfer from Revaluation Reserve	(613.72)	(613.72)
Less: Transfer to Prior Period Item	(160.13)	-
TOTAL	14,742.90	17,602.84

(₹ in '000)

Particulars	Year Ended 31 st March 2013	Year Ended 31 st March 2012
28. MANUFACTURING AND OTHER EXPENSES		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	35,830.68	34,711.02
Job Work Charges	8,916.84	7,045.14
Power and Fuel	71,543.29	54,659.00
Rates, Taxes and Water Charges	3,911.09	5,662.64
Repairs and Maintenance		
- Plant & Machinery	4,240.97	3,564.42
- Building	626.30	719.27
- Others	1,166.27	1,486.18
Excise Duty Variation on Opening / Closing Stock	757.56	579.93
Insurance Charges	2,378.37	2,150.64
Travelling Expenses Including Foreign Travelling	7,701.79	4,805.84
Freight, Vehicle & Distribution Charges	3,398.89	5,259.46
Bad Debts	546.13	123.96
Advertisement, Publicity and Selling Expenses	5,222.52	668.01
Loss on Sale of Fixed Assets	135.85	-
Miscellaneous Expenses	12,827.96	15,110.18
Payment to Auditors		
- As Auditor	1,635.91	1,112.28
- For Taxation Matters	231.86	186.39
- For Other Services	73.09	709.22
- For Reimbursement of Expenses	7.81	7.58
	1,948.67	2,015.46
Legal & Professional Fees	2,898.63	7,402.34
TOTAL	164,051.81	145,963.51

29. NOTES TO FINANCIAL STATEMENTS:

A. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate.

B. Contingent Liabilities and Commitments:

Contingent Liabilities:

Claims against the Company not acknowledged as debts:

(Excluding interest and penalty on the respective amount if any arrived upon the final outcome)

- Disputed (net) demands for Income Tax pending with various Appellate Authorities ₹ 2,347.73 ('000) ((Previous year ₹ 2,329.86 ('000)).
- Disputed Service Tax Demand ₹ Nil ('000) ((Previous year ₹ 3,159.95 ('000)).
- Disputed Excise Demands ₹ 2,546.69 ('000) (Previous year ₹ 2,424.29 ('000)).
- Disputed ESIC Demands ₹ 89.69 ('000) (Previous year ₹ 89.69 ('000)).
- Disputed Sales Tax Demands ₹ 285.24 ('000) (Previous year ₹ 585.91 ('000)).
- Sales Tax Liability (On account of pending 'C' forms) ₹ 1,172.36 ('000) (Previous year ₹ Nil ('000)).

Commitments:

(₹ in '000)

Particulars	As at 31 st March	
	2013	2012
Estimated amounts of Capital Expenditure Commitments	274.59	990.00

C. The Subsidiary Companies Considered in the Consolidated Financial Statements are:

(₹ in '000)

Name of the Company	Country of Incorporation	Percentage of Voting Right As at 31 st March	
		2013	2012
MagDev Limited (From 30.06.2010)	UK	100	100
MMG India Private Limited (From 30.06.2010)	India	100	100

D. Segments Disclosures

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

E. Related Party Disclosures :

As required by Accounting Standard – AS 18 ‘Related Party Disclosure’ issued by The Institute of Chartered Accountants of India, are as follows:

List of Related Parties with whom transactions have taken place during the year:

- (i) Individuals or their relatives owning directly or indirectly an Interest in the voting power giving them significant influence:
 - Mr. Jaydev Mody (JM) - Chairman
 - Mrs. Zia Mody (ZM) - Wife of Chairman
 - Mrs. Urvi Piramal (UP) - Sister of Chairman
 - Dr. Ram H. Shroff - Executive Vice Chairman & Managing Director
- (ii) Key Management Personnels:
 - Capt. R Barick - Whole-Time Director (Up to 30th Sept, 2012)
- (iii) Enterprises over which persons mentioned in (i) and (ii) above exercise significant influence:
 - AZB & Partners (AZB)
 - Freedom Registry Limited (FRL)
 - Aarti Management Consultancy Private Limited (AAMPL)
 - Aditi Management Consultancy Private Limited (ADMPL)
 - Anjoss Trading Company Private Limited (ATC)
 - Delta Corp Ltd (DCL)
 - SSI Trading Private Limited (SSI)

Details of Transactions carried out with Related Parties in the ordinary course of Business (excluding reimbursement):

(₹ in ‘000)

Particulars	Key Management Personnel / Individual owing directly or indirectly interest in voting power		Enterprises Over which individual / Key Management Personnel Exercise Significant Influence		Total	
	2013	2012	2013	2012	2013	2012
Remuneration Paid						
Capt. R Barick	3,658.37	4,431.51	-	-	3,658.37	4,431.51
Sub Total	3,658.37	4,431.51	-	-	3,658.37	4,431.51
Director Sitting Fees						
JM	4.00	6.00	-	-	4.00	6.00
UP	10.00	6.00	-	-	10.00	6.00
Sub-Total	14.00	12.00	-	-	14.00	12.00

(₹ in '000)

Particulars	Key Management Personnel / Individual owing directly or indirectly interest in voting power		Enterprises Over which individual / Key Management Personnel Exercise Significant Influence		Total	
	2013	2012	2013	2012	2013	2012
Issue of Equity Shares with Security Premium						
SSI	-	-	34,079.69	-	34,079.69	-
Sub Total	-	-	34,079.69	-	34,079.69	-
Professional Fees Paid						
A Z B	-	-	91.29	-	91.29	-
F R L	-	-	54.37	68.27	54.37	68.27
Sub-Total	-	-	145.66	68.27	145.66	68.27
Sharing of Resources #						
D C L	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Repayment of Loan						
A A M P L	-	-	24,000.00	-	24,000.00	-
Sub-Total	-	-	24,000.00	-	24,000.00	-
Outstanding as on 31st March						
Loan Payable						
A A M P L	-	-	19,875.00	43,875.00	19,875.00	43,875.00
A D M P L	-	-	43,000.00	43,000.00	43,000.00	43,000.00
A T C	-	-	43,000.00	43,000.00	43,000.00	43,000.00
Sub-Total	-	-	105,875.00	129,875.00	105,875.00	129,875.00
Expenses Payable						
F R L	-	-	12.14	12.81	12.14	12.81
Sub-Total	-	-	12.14	12.81	12.14	12.81

Transactions are of non monetary consideration.

F. Employee Benefits

Disclosure required under Accounting Standard -15 (Revised 2005) for “Employee Benefits” are as under:

- i) The Company has recognized the expected liability arising out of the compensated absence and gratuity as at 31st March, 2013 based on actuarial valuation carried out using the Project Credit Method.
- ii) The below disclosure have been obtained from independent actuary. The other disclosures are made in accordance with AS - 15 (Revised) pertaining to the Defined Benefit Plan is as given below :

(₹ in '000)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2012-13	2011-12	2012-13	2011-12
1	Assumptions :				
	Discount Rate	8.25%	8.25%	8.25%	8.25%
	Salary Escalation	5.00%	10.00%	5.00%	10.00%
2	Change in Benefit Obligation :				
	Liability at the beginning of the year	18,013.88	11,930.10	2,920.60	2,083.62
	Interest Cost	714.10	398.82	109.00	43.74
	Current Service Cost	2,182.41	3,819.96	426.66	602.55
	Benefit Paid	(487.18)	(1,110.12)	(402.58)	(539.01)
	Actuarial (Gain) / Loss on obligations	504.87	2,975.12	(269.85)	729.69
	Liability at the end of the year	20,928.08	18,013.88	2,783.83	2,920.59
3	Amount recognized in the Balance Sheet:				
	Liability at the end of the year	20,928.08	18,013.88	2,783.83	2,920.61
	Fair value of Plant Assets at the end of the year	9,324.73	8,103.47	-	-
	Difference	(11,603.35)	(9,910.41)	(2,783.83)	(2,920.61)
	Amount recognized in the Balance Sheet	11,603.35	9,910.41	2,783.83	2,920.61
4	Expenses recognized in the Profit and Loss Account:				
	Current Service Cost	2,182.41	3,819.96	426.66	602.55
	Interest Cost	714.10	398.82	109.00	43.74
	Expected return on Plan assets	(398.66)	(320.24)	-	-
	Actuarial (Gain) or Loss	(172.57)	2,932.71	(269.85)	729.69
	Expenses recognized in the Profit and Loss Account	2,325.28	6,831.25	265.81	1,375.98
5	Balance Sheet Reconciliation :				
	Liability at the beginning of the year	9,910.41	4,459.14	2,920.60	2,083.26
	Expenses as above	2,325.28	6,831.25	265.81	1,375.98
	Employer's Contribution	(632.34)	(1,379.98)	(402.58)	(539.01)
	Closing Net Liability	11,603.35	9,910.41	2,783.83	2,920.23

iii) Under Defined Contribution Plan

(₹ in '000)

Particulars	2012-13	2011-12
Contribution to Provident Fund	3,759.79	3,651.27
Contribution to ESIC	572.99	520.23

G. Deferred Tax

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

Deferred Tax Asset recognized on carried forwards losses on the basis of Management's reasonable certainty that sufficient future taxable income will be available.

The Components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on March 31, 2013 are as follows:

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
Deferred Tax Liability on:		
Difference between book value and tax WDV of Fixed Asset	6,102.49	6,102.49
Total Deferred Tax Liability (A)	6,102.49	6,102.49
Deferred Tax Asset on:		
Carry Forward Losses	22,012.42	22,012.42
Total Deferred Tax Asset (B)	22,012.42	22,012.42
Net Deferred Tax Liability / (Assets) (A - B)	(15,909.93)	(15,909.93)

H. Earnings Per Share (Basic and Diluted)

(₹ in '000) (Unless Specified)

Particulars	2012-13	2011-12
Net Profit / (Loss) after tax for the year	(12,650.03)	32,551.81
Weighted Average Number of Equity Shares	5,718,130	4,860,863
Earnings Per Share – Basic & Diluted (₹)	(2.21)	6.70
Nominal Value per Equity Share (₹)	10	10

- I. The Group has taken on Operating Lease, certain assets, the minimum future lease rentals are as follows :

Operating Lease Expenses Disclosure:

The Company has charged the lease premium on operating lease fully to Profit & Loss accounts. The Company has non cancelable operating expenses for leasing of Assets:

(₹ in '000)

Particulars	2012-13	2011-12
Up to 1 Year	1,238.40	1,610.50
1 Year to 5 Year	247.68	997.00
Above 5 Year	-	-
TOTAL	1,486.08	2,607.50

- J. An amount of ₹ 17,452.41 ('000) appearing under head "Goodwill on Consolidation" is shown as net amount after adjusting an amount of ₹ 3,452.94 ('000) being the Capital Reserve arising on consolidation of one of the Subsidiary Company.
- K. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2012 and 23rd February 2012 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956. Necessary information relating to subsidiaries has been included in the Consolidated Financial Statements.
- L. The Previous year's figures have been reworked, regrouped, rearranged, recasted and reclassified wherever necessary to conform to the current year's classifications.

For Delta Magnets Limited

Jaydev Mody
Chairman

Dr. Ram H. Shroff
Managing Director

Urvi Piralal
Director

Mahesh Gupta
Director

Rajesh Jaggi
Director

Darius Khambatta
Director

Ambika Kothari
Director

Javed Tapia
Director

Vrajesh Udani
Director

Mumbai: 7th May, 2013

Snehal Oak
Company Secretary

NOTES

ATTENDANCE SLIP



Registered office : B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra.
Share Transfer Agent : Freedom Registry Limited
Plot No. 101/102, MIDC, 19th Street, Satpur, Nasik - 422 007, Maharashtra.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

I/We hereby record my/our presence at the 31st Annual General Meeting of the Company held on **Saturday, 7th September, 2013**, at 1.45 p.m., at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra.

Name and Address of the Shareholder(s)

If Shareholder(s), please sign here

If Proxy, please mention name and sign here

Signature _____

Name & Signature _____



FORM OF PROXY



Registered office : B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra.
Share Transfer Agent : Freedom Registry Limited
Plot No. 101/102, MIDC, 19th Street, Satpur, Nasik - 422 007, Maharashtra.

Members are requested to advise the change of their address, if any, to Freedom Registry Limited at the above address.

DP ID No. *

L. F. No.

Client ID No.*

No. of shares held

I/We being a Member / Members of the above named Company hereby appoint.....

of..... or failing him/her

of..... as my/our proxy/proxies to vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held on **Saturday, 7th September, 2013**, at 1.45 p.m., at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra, and at any adjournment thereof.

Dated this day of2013.

Signature

Affix a
15 paise
Revenue
Stamp

Notes :

1. If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
2. A proxy need not be a Member.

* Applicable for Investors holding shares in demat form.



Book - Post

If Undelivered, please return to:

Freedom Registry Limited
Unit: Delta Magnets Limited
Plot No. 101/102, 19th Street,
MIDC, Satpur,
Nasik - 422 007,
Maharashtra.