

MMG INDIA PRIVATE LIMITED

Audited Financial Statements for the Year Ended 31st March, 2014

**Amit Desai & Co
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of MMG India Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of MMG India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit 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.

Emphasis of Matter

Attention is invited to Note No.35 to the financial statement, with regards to MAT Credit Entitlement of Rs.2,868.00('000) based on the judgment of management. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. In our opinion the provision of the Companies (Auditor's Report) Order, 2003, ("the Order"), issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the 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 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 Registration No. 130710W



Desai
(Amit Desai) AD
Partner

Membership No. 032926



Mumbai: 26th May, 2014

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) The Company has granted unsecured loan to its Holding Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,200('000) and the year-end balance of loan granted to such party was Rs.Nil.
- (b) 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.
- (c) The loan granted is repayable on demand. As informed, the Company has not demanded repayment of any such loan and interest during the year. Hence, due to such stipulation, we are unable to state about the regularity of repayment / payment of principal and interest amount.
- (d) There is no overdue amount of loan granted to company listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Paragraph 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (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) According to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that required to be entered into the register maintained under Section 301 of the Act. Hence, provisions of Paragraph 4(v)(a) and (b) of the Order are not applicable to the Company.
- (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 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 dues	Amount (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax, 1957	Sales Tax	224.82	A.Y. 2001-02	Sales Tax Appellant Tribunal, Chennai
The Employees State Insurance, 1957	ESIC	89.69	April 1998 to September 1998	Principal Labour Court, Chennai

- (x) The Company does not have accumulated losses which exceeds 50% of its net worth at the end of the financial year. Further, The Company has not incurred cash losses during the financial year covered by our audit, However it has incurred cash losses in the immediate 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 Paragraph 4(xii) of the Order 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 Paragraph 4(xiii) of the Order 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 Paragraph 4(xiv) of the Order 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 Paragraph 4(xv) of the Order 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 Paragraph 4(xvi) of the Order 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 not made preferential allotment of equity shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Paragraph 4(xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued debentures during the year. Accordingly, the provisions of Paragraph 4(xix) of the Order 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 Paragraph 4(xx) of the Order 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 Registration No. 130710W



(Signature)
(Amit Desai)
Partner

Membership No. 032926



Mumbai: 26th May, 2014

MMG INDIA PRIVATE LIMITED
Balance Sheet as at 31st March, 2014

(Rupees in '000)

Particulars	Note No.	As at 31st March, 2014		As at 31st March, 2013	
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	2	138,658.70		138,658.70	
(b) Reserves & Surplus	3	(38,123.70)	100,535.00	(41,335.45)	97,323.25
Non-Current Liabilities					
Long-Term Provisions	4		7,971.33		8,420.68
Current Liabilities					
(a) Short-Term Borrowings	5	2,257.23		-	
(b) Trade Payables	6	14,754.07		13,291.48	
(c) Other Current Liabilities	7	8,736.20		6,257.35	
(d) Short-Term Provisions	8	1,489.58	27,237.08	794.32	20,343.15
Total			135,743.41		126,087.09
II. ASSETS					
Non-Current Assets					
(a) Fixed assets	9				
- Tangible Assets		33,669.35		35,022.37	
- Intangible assets		435.68		737.95	
- Capital Work in Progress		376.67		-	
		34,481.70		35,760.31	
(b) Deferred Tax Assets (Net)	10	11,013.18		11,088.93	
(c) Long-Term Loans & Advances	11	4,792.10	50,286.98	4,836.57	51,685.81
Current Assets					
(a) Inventories	12	31,374.84		25,887.77	
(b) Trade Receivables	13	34,002.18		25,000.41	
(c) Cash and Bank Balances	14	7,745.41		10,860.33	
(d) Short-Term Loans & Advances	15	11,972.92		12,178.48	
(e) Other Current Assets	16	361.08	85,456.43	474.29	74,401.28
Total			135,743.41		126,087.09
Significant Accounting Policies and Notes to the Financial Statements	1 to 37				

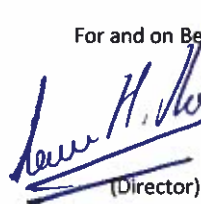
As Per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants



Amit Desai
(Partner)

Mumbai: 26th May, 2014



For and on Behalf of Board of Directors


(Director)


(Director)

MMG INDIA PRIVATE LIMITED
Statement of Profit & Loss For The Year Ended 31st March, 2014

(Rupees in '000)

Particulars	Note No.	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Income			
Revenue From Operations (Gross)	17	132,715.15	116,196.42
Less: Excise Duty		(4,154.53)	(2,905.77)
Revenue From Operations (Net)		128,560.62	113,290.65
Other income	18	3,224.96	3,164.47
Total Revenue		131,785.58	116,455.12
Expenses:			
Cost of Raw Materials Consumed	19	26,039.50	24,224.59
Changes In Inventories of Finished Goods & Work-in-Progress	20	(4,597.09)	(2,798.40)
Employee Benefit Expense	21	34,083.24	32,014.24
Finance Costs	22	2,636.20	385.72
Depreciation & Amortization Expense	9	4,275.41	4,061.97
Other Expenses	23	66,213.78	67,602.12
Total Expenses		128,651.03	125,490.24
Profit / (Loss) Before Exceptional & Extraordinary Items & Tax		3,134.55	(9,035.12)
Exceptional Items		-	-
Profit / (Loss) Before Extraordinary Items & Tax		3,134.55	(9,035.12)
Extraordinary Items		-	-
Profit / (Loss) Before Tax		3,134.55	(9,035.12)
Tax Expenses:			
- Income Tax		-	-
- Deferred Tax		75.75	-
- Earlier Years Tax Adjustments		(54.95)	(185.30)
Total Tax Expenses		20.80	(185.30)
Profit / (Loss) After Tax		3,113.75	(8,849.82)
Prior Period Items		(98.00)	1,312.98
Profit/(Loss) For The Year		3,211.75	(10,162.80)
Earning Per Equity Share: (Face Value of Rs.10/- Each)			
Basic & Diluted		0.23	(0.73)
Significant Accounting Policies and Notes to the Financial Statements	1 to 37		

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

Desai
Amit Desai
(Partner) *AD*

Mumbai: 26th May, 2014



For and on Behalf of Board of Directors

Harve H. Kheroff
(Director) *[Signature]*
(Director) *[Signature]*

MMG INDIA PRIVATE LIMITED
Cash Flow Statement For the Year Ended 31st March, 2014

(Rupees in '000)

Sr. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before Tax and Extraordinary Items	3,134.55	(9,035.12)
	Adjustments For :		
	Depreciation & Amortization Expense	4,275.41	4,061.97
	Loss/(Profit) on Sale/Discard of Fixed Assets	(2.79)	173.93
	Employee Benefits Expense	654.17	1,848.91
	Finance Costs	2,636.20	385.72
	Provision for Doubtful Debts/(Excess Written Back)	287.20	(1,143.86)
	Sundry Balance Written Off	56.01	337.83
	Prior Period Items	98.00	(1,312.98)
	Interest Income	(727.55)	(919.02)
	Operating Profit/(Loss) Before Working Capital Changes	10,411.20	(5,602.61)
	Adjustments For Working Capital :		
	Trade and Other Receivables	(8,111.64)	5,244.74
	Inventories	(5,487.08)	(4,413.38)
	Trade Payables and Other Liabilities	3,533.17	4,674.32
	Cash Generated From Operations	345.65	(96.94)
	Taxes Paid	(815.14)	185.30
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	(469.49)	88.36
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets , Capital Work in Progress	(2,996.80)	(2,048.01)
	Sale of Fixed Assets	2.79	-
	Interest income	727.55	919.02
	NET CASH USED IN INVESTING ACTIVITIES (B)	(2,266.46)	(1,128.99)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	(2,636.20)	(385.72)
	Proceeding / (Repayment) of Short Term Borrowing	2,257.23	-
	NET CASH USED IN FINANCING ACTIVITIES (C)	(378.97)	(385.72)
	NET CHANGES IN CASH AND CASH EQUIVALENTS (A + B + C)	(3,114.92)	(1,426.35)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	10,860.33	12,286.68
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	7,745.41	10,860.33
	Cash and Cash Equivalents Includes:		
	- Cash on Hand	145.75	35.34
	- Balances with Banks - In Current Accounts	4,830.96	4,442.79
	- Cheque on Hand	35.74	-
	- Fixed Deposit with maturity less than 3 months	2,732.96	2,500.00
	- Fixed Deposit with maturity more than 3 months but less than 12 months	-	3,882.20

Notes:

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

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


 Amit Desai
 (Partner)

Mumbai: 26th May, 2014



For and on behalf of the Board of Directors


 (Director)


 (Director)

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

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India ("GAAP"), and comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

b) Use of Estimates

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

c) Revenue Recognition

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

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

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

Interest Income is generally recognized on time proportion method.

Other incomes are recognized on accrual basis.

d) Fixed Assets**Tangible Assets**

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

Intangible Assets

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

Capital Work in Progress

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 under the straight-line method based on management's estimate of economic useful life of the assets and prorated over the period of use. The rates are higher than or equal to the minimum rates prescribed by Schedule XIV of the Companies Act, 1956. Intangible Assets are being Amortized on Straight Line Method (SLM) as per Accounting Standard 26 "Intangible Assets".

f) Inventories

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

g) Foreign Currency Transactions

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

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

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

h) Employee Benefits

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

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



- i) **Borrowing Costs**
Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expense in the period in which the same are incurred.
- j) **Taxation**
Tax expenses are the aggregate of current tax and deferred tax charges are credited in the statement of profit and loss for the year.
- i. **Current Tax**
The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.
- ii. **Deferred Tax**
Deferred tax charges or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are reviewed at each balance sheet date.
- iii. **Minimum Alternate Tax (MAT)**
In case the Company is liable to pay income tax under provision of Minimum Alternate Tax u/s. 115JB of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognised as asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognised in accordance with the Guidance Note on accounting treatment in respect of Minimum Alternate Tax issued by The Institute of Chartered Accountants of India.
- k) **Impairment of Assets**
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is the higher of the asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated histor
- l) **Provisions, Contingent Liabilities and Contingent Assets**
- i. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and the amount of which can be reliably estimated.
- ii. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future event not wholly within the control of the Company.
- iii. Contingent assets are neither recognized nor disclosed in the financial statements.
- iv. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.
- m) **Miscellaneous Expenditures**
Preliminary expenditures are fully charged off in the year in which they are incurred.



2	Share Capital	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
	Authorised: Equity Shares of Rs. 10/- Each	15,000,000.00	150,000.00	15,000,000.00	150,000.00
	TOTAL	15,000,000.00	150,000.00	15,000,000.00	150,000.00
	Issued, Subscribed & Fully Paid-Up: Equity Shares of Rs. 10/- Each	13,865,870.00	138,658.70	13,865,870.00	138,658.70
	TOTAL	13,865,870.00	138,658.70	13,865,870.00	138,658.70

(a) A Reconciliation of the Number of Equity Shares Outstanding at the Beginning and at the End of the Reporting Period

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
Outstanding at the Beginning of the Year	13,865,870	138,658.70	13,865,870	138,658.70
Issued During the Year	-	-	-	-
Brought Back During the Year	-	-	-	-
Outstanding at the End of the Year	13,865,870	138,658.70	13,865,870	138,658.70

(b) Terms/Rights attached to Equity Shares

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

(c) The details of Shareholders holding more than 5% Equity Shares

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Delta Magnets Limited - Holding Company (Since July 1, 2010)	13,865,870	100.00	13,865,870	100.00

(Rupees in '000)

3	Reserves & Surplus	As at 31st March	
		2014	2013
	Surplus / (Deficit) as per Statement of Profit & Loss		
	Opening Balance	(41,335.45)	(31,172.64)
	(+) / (-) : Net Profit / (Loss) During the Year	3,211.75	(10,162.80)
	Closing Balance	(38,123.70)	(41,335.45)
	Total	(38,123.70)	(41,335.45)

(Rupees in '000)

4	Long-Term Provisions	As at 31st March	
		2014	2013
	Provision for Employee Benefits		
	Gratuity	6,561.34	6,870.20
	Leave Encashment	1,409.99	1,550.49
	Total	7,971.33	8,420.68

(Rupees in '000)

5	Short-Term Borrowings	As at 31st March	
		2014	2013
	Advance (Overdraft) against security From a Bank - Secured (Carries Interest @9.75% p.a. It is secured against Fixed deposit)	2,257.23	-
	Total	2,257.23	-

(Rupees in '000)

6	Trade Payables	As at 31st March	
		2014	2013
	Micro, Small and Medium Enterprises	2,955.64	1,939.33
	Others	11,798.42	11,352.15
	Total	14,754.07	13,291.48

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 whether they have file required memorandum with the prescribed authorities. Out of the letters sent to the parties, some confirmations have been received till the date of finalization of Balance Sheet. Based on the confirmations received the details of outstanding are as under:



(Rupees in '000)

Particulars	As at 31st March	
	2014	2013
The principal amount remaining unpaid at the end of the year	2,955.64	1,939.33
The interest amount remaining unpaid at the end of the year	15.47	16.26
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	15.47	16.26
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	15.47	16.26

(Rupees in '000)

7	Other Current Liabilities	As at 31st March	
		2014	2013
	Duties & Taxes	4,095.46	2,499.11
	Advance from Customers	2,083.28	265.20
	Payable to Employees	2,182.54	3,371.57
	Other Current Liabilities	374.92	121.48
	Total	8,736.20	6,257.35

(Rupees in '000)

8	Short-Term Provisions	As at 31st March	
		2014	2013
	<u>Provision for Employee Benefits</u>		
	Gratuity	1,391.60	712.72
	Leave Encashment	97.98	81.61
	Total	1,489.58	794.32

10 Deferred Tax

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

The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on 31st March, 2014 are as follows:

(Rupees in '000)

Net Deferred Tax Liability / (Assets)	As at 31st March	
	2014	2013
<u>Deferred tax liability arising on account of:</u>		
Difference between Book and Tax Depreciation	2,161.54	2,085.80
Total (A)	2,161.54	2,085.80
<u>Deferred Tax Asset arising on account of:</u>		
Business Loss & Expenses Disallowed under the Income Tax Act, 1961	13,174.72	13,174.72
Total (B)	13,174.72	13,174.72
Net Deferred Tax Liability / (Assets) (A-B)	(11,013.18)	(11,088.93)

(Rupees in '000)

11	Long-Term Loans & Advances	As at 31st March	
		2014	2013
(a)	<u>Security Deposits</u>		
	Unsecured Considered Good	1,924.10	2,024.05
(b)	Mat Credit Entitlement	2,868.00	2,812.52
	Total	4,792.10	4,836.57



(Rupees in '000)

12	Inventories	As at 31st March	
		2014	2013
	Raw Materials	6,344.27	4,998.60
	Stores and Spares	2,834.06	3,289.74
	Work-in-Progress	3,014.24	2,611.72
	Finished Goods	19,182.27	14,987.70
	Total	31,374.84	25,887.77

(Rupees in '000)

13	Trade Receivables	As at 31st March	
		2014	2013
	<u>Unsecured</u>		
	Over Six Months - Considered Good	1,930.59	266.27
	Over Six Months - Considered Doubtful	815.57	528.43
	Less: Provision for Doubtful Debts	(815.57)	(528.43)
	Others Receivables - Considered Good	32,071.59	24,734.14
	Total	34,002.18	25,000.41

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 operates and general economy factors.

(Rupees in '000)

14	Cash & Bank Balances	As at 31st March	
		2014	2013
(a)	<u>Cash and Cash Equivalents</u>		
	- Cash on Hand	145.75	35.34
	- Balances with Banks - In Current Accounts	4,830.96	4,442.79
	- Cheque on Hand	35.74	-
	- Fixed Deposit with maturity less than 3 months	2,732.96	2,500.00
(b)	<u>Other Bank Balances</u>		
	Fixed Deposit with maturity more than 3 months but less than 12 months	-	3,882.20
	Total	7,745.41	10,860.33

(Rupees in '000)

15	Short-Term Loans & Advances	As at 31st March	
		2014	2013
(a)	<u>Loans and Advances to Related Parties</u>		
	Inter Corporate Deposit to Holding Company	-	500.00
(b)	<u>Other Loans and Advances</u>		
	Balance with Statutory Authorities	10,071.24	10,257.85
	Advance Corporate Tax (Net)	1,172.66	302.56
	Advance to Employees	290.55	159.29
	Advances to Suppliers	80.17	118.26
	Prepaid Expenses	358.30	840.51
	Total	11,972.92	12,178.48

(Rupees in '000)

16	Other Current Assets	As at 31st March	
		2014	2013
	Interest Accrued on Fixed Deposits	216.14	298.63
	Interest Accrued on EB Deposits	144.94	149.14
	Other Current Assets	-	26.52
	Total	361.08	474.29



Note 9 : Fixed Assets

(Rupees in '000)

Tangible Assets	Freehold Land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Computer	Tools	Total
Cost or Valuation								
As at 1st April, 2012	10,945.43	28,181.40	246,819.61	5,508.23	612.20	4,017.49	6,617.05	302,701.41
Additions	-	-	896.98	111.12	-	155.95	313.96	1,478.01
Disposals	-	-	2,016.19	-	-	-	-	2,016.19
As at 31st March, 2013	10,945.43	28,181.40	245,700.41	5,619.35	612.20	4,173.44	6,931.01	302,163.24
Additions	-	-	1,034.75	107.74	-	-	1,477.63	2,620.13
Disposals	-	-	-	-	-	48.55	-	48.55
As at 31st March, 2014	10,945.43	28,181.40	246,735.16	5,727.09	612.20	4,124.89	8,408.64	304,734.81
Accumulated Depreciation								
As at 1st April, 2012	-	10,357.86	239,971.49	4,364.72	474.84	3,873.84	5,991.22	265,033.96
Charge for the Year	-	983.30	2,016.72	397.38	122.44	83.87	345.46	3,949.16
On Disposals	-	-	1,842.26	-	-	-	-	1,842.26
As at 31st March, 2013	-	11,341.15	240,145.95	4,762.10	597.28	3,957.71	6,336.68	267,140.87
Charge for the Year *	-	983.30	2,036.96	264.55	14.92	109.43	563.98	3,973.14
On Disposals	-	-	-	-	-	48.55	-	48.55
As at 31st March, 2014	-	12,324.45	242,182.91	5,026.65	612.20	4,018.60	6,900.66	271,065.46
Net Block								
As at 31st March, 2013	10,945.43	16,840.25	5,554.46	857.25	14.92	215.73	594.33	35,022.37
As at 31st March, 2014	10,945.43	15,856.95	4,552.25	700.44	0.00	106.30	1,507.98	33,669.35

(Rupees in '000)

Intangible Assets	Computer Software	Total
Cost or Valuation		
As at 1st April, 2012	911.32	911.32
Additions	570.00	570.00
Disposal	-	-
As at 31st March, 2013	1,481.32	1,481.32
Additions	-	-
Disposal	-	-
As at 31st March, 2014	1,481.32	1,481.32
Accumulated Depreciation		
As at 1st April, 2012	630.56	630.56
Charge for the Year	112.81	112.81
On Disposals	-	-
As at 31st March, 2013	743.37	743.37
Charge for the Year	302.27	302.27
On Disposals	-	-
As at 31st March, 2014	1,045.64	1,045.64
Net Block		
As at 31st March, 2013	737.95	737.95
As at 31st March, 2014	435.68	435.68

Capital WIP (Rupees in '000)

Net Block	Opening	Addition	Deduction	Closing
As at 31st March, 2013	-	-	-	-
As at 31st March, 2014	-	376.67	-	376.67



(Rupees in '000)

17	Revenue From Operations (Gross)	Year Ended 31st March	
		2014	2013
	Sale of Products	117,649.55	106,570.92
	Sale of Services	14,873.22	9,463.23
	Income from Other Operating Activities	192.38	162.27
	Total	132,715.15	116,196.42

(Rupees in '000)

18	Other Income	Year Ended 31st March	
		2014	2013
	Interest income	727.55	919.02
	Exchange Rate Fluctuation Gain	1,524.39	-
	Net Gain on Sale of Fixed Assets	2.79	-
	Duty Draw Back Income	938.24	1,101.58
	Excess Provision for Doubtful Debts Writtren Back	-	1,143.86
	Other Non-Operating Income	32.00	-
	Total	3,224.96	3,164.47

(Rupees in '000)

19	Cost of Material Consumed	Year Ended 31st March	
		2014	2013
	Opening Stocks	4,998.60	3,534.22
	Add: Purchases	27,385.17	25,688.97
		32,383.77	29,223.19
	Less: Closing Stocks	(6,344.27)	(4,998.60)
	Total	26,039.50	24,224.59

(Rupees in '000)

20	Change in Stock of Finished Goods & Work-in-Progress	Year Ended 31st March	
		2014	2013
	Stocks At the End		
	Finished Goods	19,182.27	14,987.70
	Work-in-Progress	3,014.24	2,611.72
		(A) 22,196.51	17,599.42
	Stocks At the Beginning		
	Finished Goods	14,987.70	11,554.05
	Work-in-Progress	2,611.72	3,246.98
		(B) 17,599.42	14,801.02
	Total (B) - (A)	(4,597.09)	(2,798.40)

(Rupees in '000)

21	Employee Benefits Expense	Year Ended 31st March	
		2014	2013
	Salaries and Wages	29,207.91	25,833.90
	Contribution to Provident and Other Funds	2,246.21	2,108.66
	Contribution to Gratuity Fund and Leave Encashment	654.17	1,848.91
	Staff Welfare Expenses	1,974.96	2,222.78
	Total	34,083.24	32,014.24



(Rupees in '000)

22	Finance Costs	Year Ended 31st March	
		2014	2013
	Interest Expenses	2,120.39	19.82
	Other Borrowing Costs	515.80	365.90
	Total	2,636.20	385.72

(Rupees in '000)

23	Other Expenses	Year Ended 31st March	
		2014	2013
	Payments to Auditors		
	- For Audit Fees	285.00	285.00
	- For Taxation Matters	50.00	50.00
	- for Company Law Matters	22.00	-
	- For Reimbursement of Expenses	1.29	0.16
		358.29	335.16
	Consumption of Stores, Spares, Consumables, Packing Materials etc.	17,469.18	15,882.36
	Job Work Charges	11,222.52	8,916.84
	Production Overhead	1,181.87	669.32
	Power and Fuel	18,183.28	18,905.77
	Rates, Taxes and Water Charges	848.92	570.41
	Repairs and Maintenance		
	- Plant & Machinery	976.19	1,268.90
	- Equipment	144.00	494.42
	- Building	2.85	6.47
	Excise Duty variation on Opening / Closing Stock	142.57	554.71
	Telephone Expenses	349.05	351.95
	EDP Expenses	430.94	350.42
	Security Expenses	412.25	363.38
	Insurance Charges	179.43	223.66
	Travelling Expenses	2,661.54	2,378.58
	Freight Charges	1,119.44	928.93
	Selling & Distribution cost	403.77	1,823.73
	Miscellaneous Expenses	686.08	599.53
	Excise Duty Paid in Excise Case	2,098.98	-
	Provision for Bad Debts	287.20	-
	Sundry Balance Written Off	56.01	337.83
	Legal & Professional Fees	6,999.41	12,639.74
	Total	66,213.78	67,602.12



MMG INDIA PRIVATE LIMITED

Notes to the Financial Statements for the Year Ended 31st March, 2014

24 **Contingent Liabilities:**

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

1. Disputed Excise Demands Rs. 00.00 ('000) ((Previous year Rs. 2546.69 ('000))
2. Disputed ESIC Demands Rs. 89.69 ('000) ((Previous year Rs. 89.69 ('000))
3. Disputed Sales Tax Demands Rs. 224.82 ('000) ((Previous year Rs. 224.82 ('000))
4. Sales Tax Liability (On account of pending 'C' forms) Rs. 5040.26 ('000) (Previous year Rs. 1172.36 ('000)

25 **Capital Commitments**

(Rupees in '000)

Particulars	As at 31st March	
	2014	2013
Estimated amounts of Capital Expenditure Commitments	39,630.51	274.59

26 **Transfer Pricing**

As per the transfer pricing norms introduced in India with effect from April 1, 2001, the Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company has conducted a transfer pricing study for the year ended March 31, 2014. The Company is in the process of conducting a Transfer pricing study for the current year. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

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

28 **Earnings in Foreign Exchange**

(Rupees in '000)

Particulars	As at 31st March	
	2014	2013
Sale of Goods (Net)	52,268.93	54,977.41
Total	52,268.93	54,977.41

29 **Expenditure in Foreign Currency**

(Rupees in '000)

Particulars	As at 31st March	
	2014	2013
Traveling & Other Expenses	185.84	42.17
Capital Goods	225.32	-
Total	411.15	42.17

30 **CIF Value of Imports**

(Rupees in '000)

Particulars	As at 31st March	
	2014	2013
Raw Materials	27,215.17	25,509.89
Stores & Spares	1,326.31	741.15
Capital Goods	225.32	-
Total	28,766.79	26,251.04

31 **Earnings Per Share**

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

(Rupees in '000 Unless Specified)

Particulars	2013-14	2012-13
Profit/(Loss) After Tax Attributable to Equity Shareholders (A)	3,211.75	(10,162.80)
Weighted Average Number of Equity Shares (B)	13,865,870	13,865,870
Basic & Diluted Earnings Per Share (A/B) (Rs.)	0.23	(0.73)
Nominal Value Per Share (Rs.)	10.00	10.00

32 **Related Party Disclosures**

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

Holding Company:

Delta Magnets Limited

Key Management Personnel:

Mr. Ram H. Shroff - Director

Other Related Parties, Where Common Control Exists:

Magdev Limited, UK



(B) Transactions with related parties during the year:

(Rupees in '000)

Particulars	Holding Company/Key Management Personnel		Other Related Party Where Common Control Exists		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of Goods:						
Magdev Limited, UK	-	-	18,290.42	16,573.02	18,290.42	16,573.02
Delta Magnets Limited	35.74	-	-	-	35.74	-
Total	35.74	-	18,290.42	16,573.02	18,326.16	16,573.02
Reimbursement of Expenses:						
Magdev Limited, UK	-	-	514.51	-	514.51	-
Total	-	-	514.51	-	514.51	-
Purchase of Fixed Assets:						
Magdev Limited, UK	-	-	225.32	-	225.32	-
Total	-	-	225.32	-	225.32	-
Purchase of Services:						
Delta Magnets Limited	5,400.00	12,000.00	-	-	5,400.00	12,000.00
Total	5,400.00	12,000.00	-	-	5,400.00	12,000.00
Rendering of Services:						
Magdev Limited, UK	-	-	165.43	-	165.43	-
Total	-	-	165.43	-	165.43	-
Inter Corporate Loan Given:						
Delta Magnets Limited	1,200.00	1,000.00	-	-	1,200.00	1,000.00
Total	1,200.00	1,000.00	-	-	1,200.00	1,000.00
Inter Corporate Loan Received Back:						
Delta Magnets Limited	1,700.00	9,000.00	-	-	1,700.00	9,000.00
Total	1,700.00	9,000.00	-	-	1,700.00	9,000.00
Advance Received from Customer:						
Magdev Limited, UK	-	-	1,997.00	-	1,997.00	-
Total	-	-	1,997.00	-	1,997.00	-
Closing Balance as on 31st March						
Inter Corporate Loan:						
Delta Magnets Limited	-	500.00	-	-	-	500.00
Total	-	500.00	-	-	-	500.00
Trade Receivable:						
Magdev Limited, UK	-	-	741.54	3,085.00	741.54	3,085.00
Total	-	-	741.54	3,085.00	741.54	3,085.00
Advance Received from Customer:						
Magdev Limited, UK	-	-	1,997.00	-	1,997.00	-
Total	-	-	1,997.00	-	1,997.00	-
Trade Payable:						
Delta Magnets Limited	4,203.08	3,042.38	-	-	4,203.08	3,042.38
Total	4,203.08	3,042.38	-	-	4,203.08	3,042.38

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

i) Consumption of Raw Materials

(Rupees in '000)

Particulars	2013-14	2012-13
Ferrite Materials	25,771.88	23,793.83
Others	267.62	430.76
Total	26,039.50	24,224.59

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

(Rupees in '000)

Raw Material	2013-14		2012-13	
	Amt.	%	Amt.	%
Imported	25,987.42	99.80%	24,173.72	99.79%
Indigenous	52.08	0.20%	50.87	0.21%
Total	26,039.50	100.00%	24,224.59	100.00%

(Rupees in '000)

Stores, Spares and Components	2013-14		2012-13	
	Amt.	%	Amt.	%
Imported	698.77	4.00%	638.47	4.02%
Indigenous	16,770.41	96.00%	15,243.89	95.98%
Total	17,469.18	100.00%	15,882.36	100.00%

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

(Rupees in '000)

Finished Goods	Sales Value	Closing Inventory	Opening Inventory
Soft Ferrite	117,649.55	19,182.27	14,987.70
	(106,570.92)	(14,987.70)	(11,554.05)

(Rupees in '000)

Work-in-Progress	Closing Inventory	Opening Inventory
Soft Ferrite	3,014.24	2,611.72
	(2,611.72)	(3,246.98)

34 Employees Benefits



Disclosure required as per AS – 15 are as under:

- i) The Company has recognized the expected liability arising out of the compensated absence and gratuity as at 31st March, 2014 based on actuarial valuation carried out using the Project Credit Method.
- ii) The disclosure given below has been obtained from independent actuary. The other disclosures are made in accordance with AS – 15 (revised) pertaining to the Defined Benefit Plan are as given below:

Sr. No.	Particulars	(Rupees in '000)			
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	(Unfunded)	(Funded)	(Unfunded)
		2013-14	2013-14	2012-13	2012-13
1	Assumptions :				
	Discount Rate	9.07%	9.07%	8.00%	8.00%
	Salary Escalation	6.00%	6.00%	6.00%	6.00%
2	Changes in Present Value of Obligations:				
	Present value of obligations as at beginning of year	11,714.54	1,632.09	9,612.73	1,638.25
	Interest Cost	937.16	130.57	-	-
	Current Service Cost	603.42	182.51	1,673.19	175.72
	Liability Transfer in	-	-	-	-
	Liability Transfer out	-	-	-	-
	Benefit Paid	(149.54)	(258.72)	(235.06)	(181.88)
	Actuarial (Gain) / Loss on obligations	(742.13)	(178.48)	663.68	-
	Present value of obligations as at end of year	12,363.45	1,507.97	11,714.54	1,632.09
3	Amount Recognized in the Balance Sheet:				
	Liability at the end of the year	12,363.45	1,507.97	11,714.54	1,632.09
	Fair value of Plant Assets at the end of the year	4,410.51	-	4,131.63	-
	Difference	(7,952.94)	(1,507.97)	(7,582.91)	(1,632.09)
	Unrecognized Past Service Cost	-	-	-	-
	Unrecognized Transition Liability	-	-	-	-
	Amount recognized in the Balance Sheet	(7,952.94)	(1,507.97)	(7,582.91)	(1,632.09)
4	Expenses recognized in the Statement of Profit and Loss:				
	Current Service Cost	603.42	182.51	1,673.19	175.72
	Interest Cost	937.16	130.57	-	-
	Expected return on Plan assets	(971.85)	-	-	-
	Actuarial (Gain) or Loss	(649.17)	(178.48)	-	-
	Expenses recognized in the Statement of Profit and Loss	519.56	134.60	1,673.19	175.72
5	Balance Sheet Reconciliation:				
	Opening Net Liability	7,582.91	1,632.09	6,144.78	1,638.25
	Expenses as above	519.57	134.60	1,673.19	175.72
	Employer's Contribution	-	-	(235.06)	(181.88)
	Benefit Paid	(149.54)	(258.72)	-	-
	Closing Net Liability	7,952.94	1,507.97	7,582.91	1,632.09

(b) Under Defined Contribution Plan:

Particulars	(Rupees in '000)	
	2013-14	2012-13
Contribution to Provident Fund	2,212.88	2,087.91
Contribution to ESIC	33.32	20.75
Total	2,246.21	2,108.66

35 **MAT Credit Entitlement**

MAT Credit Entitlement of Rs.2,868.00('000) (Previous Year Rs.2,812.52('000)) is based on business projections of Company provided by Management, and the same have been relied upon by the Auditors.

36 **Segment Reporting**

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

37 **Previous Year Comparatives**

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



Mumbai: 26th May, 2014

For and behalf of the Board of Directors

 (Director)

 (Director)