



DELTA *MAGNETS LIMITED*

32nd Annual Report 2013-14



THE BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Snehal Oak

REGISTERED OFFICE

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

PLANT LOCATION

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

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.
Phone : (0253) 2354032, 2363372
Facsimile : (0253) 2351126
e-mail : support@freedomregistry.in

SHARES LISTED ON

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

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NOTICE

Notice is hereby given that the 32nd Annual General Meeting of Members of Delta Magnets Limited will be held on Thursday, 25th September, 2014 at 2.00 p.m. at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik-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, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) Mr. Jaydev Mody (DIN: 00234797), Director, who retires by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, not liable to retire by rotation.”

3. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) the vacancy caused by the retirement by rotation of Ms. Urvi Piramal (DIN: 00044954), Director, who has not sought re-appointment, be not filled in at this meeting or at any adjournment thereof.”

4. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and pursuant to recommendations of the Audit Committee and Board of Directors, M/s. Amit Desai & Co., Chartered Accountants (Firms Registration No.: 130710W) be and are hereby re-appointed as Statutory Auditors of the Company at such remuneration as may be decided by the Board provided that the re-appointment of M/s. Amit Desai & Co. shall be from the conclusion of this 32nd Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company, and re-appointment shall be subject to ratification by the Members at every Annual General Meeting to be held during the period.

RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Mr. Samir Chinai (DIN:00112601), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act, to hold office upto the date of this Annual General Meeting

and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of the Director, be and is hereby appointed as non-executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule V of the Act ((including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and in partial modification of the Special Resolution passed by members of the Company at Annual General Meeting held on 7th September, 2013, approving appointment of Dr. Ram H. Shroff as Managing Director of the Company, on the terms and conditions as stated therein, consent of the members of the Company be and is hereby accorded for amending the said terms and conditions of appointment to the extent that Dr. Ram H. Shroff, shall be liable to retire by rotation during the remaining tenure of his office as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is hereby jointly and/or severally authorized 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.”

7. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Dr. Vrajesh Udani (DIN: 00021311), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided under section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of the Director, be and is hereby appointed as non-executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

8. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Mr. Rajesh Jaggi (DIN: 00046853), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided under section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of the Director, be and is hereby appointed as non-executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Mr. Javed Tapia (DIN: 00056420), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided under section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of the Director, be and is hereby appointed as non-executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

10. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 148 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and subject to such approvals as may required, the Company hereby approves and ratifies the remuneration of ₹ 60,000/- p.a. payable to M/s DBK & Associates, Cost Auditors (Firm Registration No.: 000325) of the Company for the Financial Year 2014-15.”

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. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. An explanatory statement as per provisions of the Companies Act, 2013 is appended hereto.
4. 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.
5. In terms of Section 152 of the Companies Act, 2013, Mr. Jaydev Mody and Ms. Urvi Piramal, Directors retire by rotation at the ensuing Annual General Meeting. Mr. Jaydev Mody being eligible, offers himself for re-appointment and Ms. Urvi Piramal does not seek re-appointment.

The Board of Directors of the Company recommends re-appointment of Mr. Jaydev Mody.

6. Brief resume of the Directors proposed to be appointed/ 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.

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7. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the Meeting.
 8. 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.
 9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014, To Thursday, 25th September, 2014 (both days inclusive), for the purpose of the Annual General Meeting of the Company.
 10. Members are requested to:
 - (a) intimate to the Company's Share Transfer Agents (STA), changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses/ email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
 - (c) quote their folio numbers/Client ID/DP ID in all correspondence; and
 - (a) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
 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. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules made thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2013-14 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's STA, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with STA (in case of Shares held in physical form).

13 Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means.

The instructions for members for voting electronically are as under:-

- (A) The voting period begins on Friday, 19th September, 2014 at 10.00 a.m and ends on Sunday, 21st September, 2014 at 5.30 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Delta Magnets Limited on which you choose to vote.

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- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(C) COMMON INSTRUCTIONS

- (i) E-voting shall not be allowed beyond 5.30 p.m. on Sunday, 21st September, 2014. During e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014 may cast their vote electronically. Once the vote on a resolution is cast by the members, the members shall not be allowed to change it subsequently.
- (ii) The voting rights of shareholders shall be in proportion to their shares in the paid up equity capital of the Company as on the cut-off date of 22nd August, 2014.

- (iii) Mr. Ashish Kumar Jain (membership no.6058) from A. K. Jain and Co., Practicing Company Secretary, has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (iv) The Scrutinizer shall within a period not exceeding 3 working days from the conclusion of e-voting period unblock the votes in presence of at least two witnesses not in the employment of the Company and make a scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (v) In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman may offer an opportunity to such members to vote at the meeting for all businesses specified in the accompanying notice. For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote at the meeting. The voting right of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - (vi) The results shall be declared on or after the AGM of the Company. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite Number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website www.deltacorp.in and on the website of CDSL within 2 days of passing of resolutions at the AGM of the Company and communicated to the Stock Exchanges.
14. 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.

By Order of the Board of Directors,

SNEHAL OAK
Company Secretary

Mumbai, 4th August, 2014

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2:

Mr. Jaydev Mody was appointed as Director liable to retire by rotation at Annual General Meeting of the Company held on 29th September, 2008. Keeping in view the experience of Mr. Jaydev Mody, the Board of Directors is of the opinion that it will be in the interest of the Company, if Mr. Jaydev Mody is appointed as Director not liable to retire by rotation.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Jaydev Mody, are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution

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

ITEM NO. 5:

To comply the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder and in accordance with Clause 49 of the Listing Agreement entered with Stock Exchanges, the Board of Directors pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee of the Board of Directors appointed Mr. Samir Chinai, as Additional Director designated as Independent Directors of the Company with effect from 4th August, 2014, at their Meeting held on 4th August, 2014. Mr. Samir Chinai holds office of Director upto this Annual General Meeting.

The Company has received notice from a member, under Section 160 of the Companies Act, 2013, signifying their intention to propose the appointment of Mr. Samir Chinai as Director and to be designated as Independent Director. Mr. Samir Chinai is not disqualified from being appointed as Director in terms of provisions Section 164(2) of the Companies Act, 2013.

Further the Company has duly received consent letter and declarations from Mr. Samir Chinai that he meets with the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and Revised (proposed) Clause 49 of the Listing Agreement and in the opinion of the Board he is independent of the management.

Mr. Samir Chinai is a person of integrity and possesses appropriate skills, experience, knowledge and qualifications in his field which is beneficial to the interests of the Company.

In the opinion of the Board, Mr. Samir Chinai fulfills the conditions for appointment as Independent Director as specified in the Act and the Rules made thereunder.

As per disclosures received from Mr. Samir Chinai, he holds 450 equity shares of the Company.

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

Copy of the draft letter of appointment of Mr. Samir Chinai as non-executive Independent Directors setting out terms and conditions would be available for inspection of members without payment of any fees at the Registered Office of the Company during business hours on working day excluding Saturday and Sunday between 11.00 a.m. till 6.00 p.m.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Samir Chinai are in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution

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

ITEM NO. 6:

Dr. Ram H. Shroff was appointed as Managing Director of the Company vide Shareholder's resolution at Annual General Meeting dated 7th September, 2013 for a period of 5 years. One of the terms of the appointment provides that the Managing Director shall not be liable to retire by rotation during his tenure of office.

In order to comply with the requirement of Section 152 (6) of the Companies Act, 2013, the Board of Directors in its meeting held on 4th August, 2014 amended one of the terms of the appointment of the Managing Director, by making him liable to retire by rotation during the remaining tenure of his office, subject to the approval of the shareholders of the Company. The other terms and conditions of the appointment as Managing Director remains unchanged.

None of the Directors, Key Managerial Personnel and their relatives except Dr. Ram H. Shroff are in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution

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

ITEM NO.7, 8 AND 9:

Pursuant to provisions of the Companies Act, 2013, an Independent Director can hold office for two consecutive terms of five years and pursuant to provisions of Revised (proposed) Clause 49 of the Listing Agreement, an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for re-appointment for another term of up to five consecutive years on passing of a special resolution by the company. A person who has already served as an independent director for five years or more in a Company shall be eligible for appointment, on completion of his present term, for one more term of up to five years only and can be re-appointment as independent director in the Company only after the expiration of three years of ceasing to be an independent director in the Company.

In order to comply with these provisions it is proposed to seek shareholders approval for appointment of Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia as non-executive Independent Directors of the Company, for one term of consecutive five years from the conclusions of this Annual General Meeting. Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia were appointed as Directors of the Company at Annual General Meeting of the Company held on 23rd September, 2010, 29th September, 2009 and 29th September, 2008 respectively.

Further the Company has duly received declarations from them that they meet with the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and Revised (proposed) Clause 49 of the Listing Agreement and in the opinion of the Board they are independent of the management.

Brief profile of Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming a part of this Notice.

None of the Directors, Key Managerial Personnel and their relatives except Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia, are in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution

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

ITEM NO. 10:

The Board of Directors after considering the recommendation of Audit Committee, appointed M/s. DBK & Associates, Cost Accountants as the Cost Auditors at its meeting held on 28th May, 2014 to carry out the audit of cost records of the Company for the financial year ending on 31st March, 2015 and fixed remuneration of ₹ 60,000/- p.a.

As per the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out in item No. 10 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2015.

Members of the Company are requested to note that the Ministry of Corporate Affairs (MCA) had issued the Companies (Cost and Audit) Rules, 2014 (Rules) on 30th June, 2014, according to which cost audit is not applicable to the Company. However, on 19th July, 2014, MCA vide Office Memorandum bearing No. 52/22/ CAB/2014, constituted a Expert Committee to look into various issues pertaining to cost audit including the class of companies / industries / sectors, to which the aforesaid Rules shall be made applicable. After receipt of the recommendations of the aforesaid Committee, if MCA notifies that the aforesaid Rules including the amendments if any, shall not be applicable to class of Industry in which your company currently operates, then in such an event, the Board of Directors may not continue with the appointment of Cost Auditors.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

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

By Order of the Board of Directors,

SNEHAL OAK
Company Secretary

Mumbai, 4th August, 2014

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

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

**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 has been creating, developing and managing businesses for more than 36 years, over 25 of them in real estate development. He played a leading role in building and developing India's first truly global mall 'Crossroads' in South Mumbai (then Bombay).

A humanities graduate from Mumbai University, Mr. Mody has been instrumental in the development of several large residential and commercial complexes and retail destinations in and around Mumbai, among them Peninsula Corporate Park, Ashok Towers, Ashok Gardens, and Peninsula I.T. Park, all of them now established Mumbai landmarks.

He is an entrepreneur and has interests in various businesses including gaming and hospitality, textiles and magnet manufacturing. His keen eye has helped him identify lucrative business opportunities and has pioneered several first of its kind ventures.

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.

Bayside Property Developers Private Limited.

Delta Corp East Africa Limited (In Liquidation).

Delta Corp Limited.

Delta Gaming and Entertainment Lanka (Pvt) Ltd.

Delta Holding (USA) Inc.
Delta Hotels Lanka (Pvt) Ltd.
Delta Pan Africa Limited (In Liquidation).
Delta Real Estate Consultancy Private Limited.
Delta Square Limited.
J M Holding (USA) Inc.
J M Holding Lanka (Pvt) Ltd.
J M Holding Ltd (UAE).
J M Livestock Private Limited.
Magdev Limited, UK.
Peninsula Land Limited.
Providence Educational Academy Private Limited.
Royal Western India Turf Club Limited.

ii) Chairman of Board Committees

Delta Corp Limited - Investors Grievance Committee
Arrow Textiles Limited – Investors Grievance Committee

iii) Member of Board Committees

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

**Name of Director**

Mr. Samir Chinai

Date of Birth

13th July, 1960

Date of Appointment

4th August, 2014

Qualification

Architect

Profile and Expertise

Mr. Samir Chinai is a graduate of the School of Architecture, CEPT Ahmedabad and has been practicing Architecture from 1989.

Over the past three decades his firm has been responsible for a strikingly wide range of work, from urban master plans, public infrastructure, hospitals, civic and cultural buildings, offices, factories and work places and private houses.

Mr. Chinai is also involved in his family owned business of Cranes which are used in infrastructure projects. Mr. Chinai is a Director of various companies.

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

Mr. Samir Chinai holds 450 shares of the Company jointly.

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

ACT Fininvest Limited.
Charlie Finance Private Limited.
Chinai Ranadive Associates Private Limited.
Lifezone Mercantile Private Limited.
Niranjan Piralal Textile Mills Limited.
Nutech Multitrade Private Limited.
Oneup Multitrade Private Limited.
Piralal Sons Private Limited.
Pureview Trading Company Private Limited.
Rural Agricultural and Educational Centre.
Sanarjun Agriculture Private Limited.
Satyamurthy Brokers Private Limited.
Teknopoint Multitrade Private Limited.
Zing Investments Private Limited.

ii) Chairman of Board Committees

NIL

iii) Member of Board Committees

NIL

**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 is a Pediatric Neurologist. Dr. Udani is a consultant at the Hinduja National Hospital, Hinduja Healthcare Surgical 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**

Mr. Rajesh Jaggi

Date of Birth

7th January, 1969

Date of Appointment

29th June, 2009

Qualification

MBA (Boston, U.S.A)

Profile and Expertise

Rajesh Jaggi is a Partner & Managing Director of Everstone Capital Advisors' Real Estate business. Rajesh 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.

Everstone is an India and South East Asia focused investor with dedicated private equity and real estate funds. It is one of the largest alternative asset management platforms in South and South East Asia with more than 100 people working across five offices.

Under Rajesh's guidance, the Everstone team has successfully leased and operates nine malls and six logistics parks. Rajesh also leads the teams effort in managing Everstone's substantial portfolio of real estate investments/assets including investor relations and fund divestments, of which six successful transaction have been concluded till date.

Prior to Everstone, Rajesh was the Managing Director of Peninsula Land Limited (a US\$ 400 million market cap listed leading Indian real estate company). 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), SOBO Central (Crossroads) and Bayside Mall. Rajesh 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, Rajesh 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.

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

Nil

Directorship and Committee memberships (Excluding Delta Magnets Limited)

i) Directorships held in other Companies

Advalue Trading Company Private Limited.
Antarctica Trading Company Private Limited.
Anushta Mall Management Company Private Limited.
City Realty and Development Private Limited.
Delta Corp Limited.
Devbhumi Realtors Private Limited.
Equinox Realty and Infrastructure Private Limited.
Everock Real Estate Private Limited.
Everock Realty Private Limited.
Highstreet Cruises and Entertainment Private Limited.
Indospace Capital Advisors Private Limited.
Indospace Development Management Private Limited.
KVR Metals and Alloys Private Limited.
Maniam Properties Private Limited.
Maverick Properties Private Limited.
Offbeat Developers Private Limited.
Paramount Property Developers Private Limited.
Peevees Projects Private Limited.
Pink Square Maintenance Company.
Rajlaxmi Griha Nirman Private Limited.
Red Rocket Entertainment Private Limited.
RVK Metals and Alloys Private Limited.
Skyspaces Hotels Private Limited.

ii) Chairman of Board Committees

NIL

iii) Member of Board Committees

Delta Corp Limited-Audit Committee/Compensation (Remuneration) Committee

**Name of Director**

Mr. Javed Tapia

Date of Birth

12th August, 1966

Date of Appointment

14th March, 2008

Qualification

Post graduation in Business Administration

Profile and Expertise

Mr. Javed Tapia is an entrepreneur leading the growth of several companies under the umbrella brand “Clover”. Having started his career with the flagship brand “Clover Realty”, Mr. Tapia has established a strong presence for the Clover Group in areas such as information technology, transaction systems, and renewable energy. In the year 2000, he spearheaded the open source revolution in India through a joint venture – Red Hat India with Red Hat Inc. and expanded the company’s footprint across South Asia.

Mr. Tapia is a member of the executive committee of the Young Presidents Organization (YPO), Bombay Chapter. Mr. Tapia is also a member of the Entrepreneurs’ Organization (EO) and has served on its executive committee.

Mr. Tapia is an angel investor with a keen interest in the internet, technology and agri-business space. Mr. Tapia is a member of Mumbai Angels, one of the leading “Angel Investment” groups in India.

Mr. Tapia is a postgraduate in business administration from the Duke University’s Fuqua school of business, US and is the founder of Fuqua Alumni Club in India. Mr. Tapia was conferred the “Alumni Impact Award” by his alma mater - Duke University. Mr. Tapia is an avid reader and enjoys horse riding and scuba diving in his free time.

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

Nil

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

Bayside Properties Private Limited.

Beverly Hills Realty Private Limited.

Clover Estates Private Limited.

Clover Holdings and Trading Private Limited.

Clover Housing and Development Private Limited.
Clover Infotech Private Limited.
Clover Livestock Private Limited.
Clover Realty and Infrastructure Private Limited.
Clover Solar Private Limited.
Clover Technologies Private Limited.
Clover Transaction Systems Private Limited.
Coardial Agro Farms private Limited.
Corniche Farms Private Limited.
Corniche Realty Private Limited.
GSS Healthcare IT Solutions Private Limited.
GSS Infotech Limited.
Hexagon Renewable Energy Resources Private Limited.
Intertrade Mercantile Co. Private Limited.
Logical Properties Private Limited.
Magdev Limited, UK.
MMG India private Limited.
Sanguine Fresh Farms Private Limited.
Sienna Systems Resources Private Limited.
Voyager Enterprises Private Limited.
Worthwhile Properties Private Limited.
Young Presidents Organisation.

ii) Chairman of Board Committees

NIL

iii) Member of Board Committees

NIL

DIRECTORS' REPORT

Your Directors present their Thirty Second Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2014.

Financial Highlights

(₹ in '000)

Particulars	Standalone	
	Year ended 31.03.2014	Year ended 31.03.2013
Income for the year	153,882.75	1,41,678.62
Profit before Interest, Depreciation and Tax	1,665.97	5,320.70
Less :		
Finance Charges	3,023.06	1,655.47
Depreciation	8,978.51	9,169.86
Provisions for Taxation/ Deferred Tax	298.85	-
Prior Period Items / Extra Ordinary Items	9.25	189.29
Net Profit/ Loss for the Current Year	(10,643.68)	(5,693.92)

Dividend

The Directors do not recommend any dividend for the Financial Year ended 31st March, 2014.

Operations

During the year under review, your Company recorded a total income of ₹ 511,962.98 (₹ '000) (Consolidated) and Net Profit of ₹ 23,196.08 (₹ '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. Samir Chinai as an Additional Director of the Company at its meeting held on 4th August, 2014, in accordance with the provisions of Section 161 of the Companies Act, 2013 and Rules made thereunder. He holds the office as an Additional Director upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice from a member, proposing his appointment as Independent Director of the Company at the ensuing Annual General Meeting, in accordance with provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Further pursuant to provisions of Section 149 of the Companies Act, 2013, it is proposed to seek shareholders approval for appointment of Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia existing Directors of the Company, as non-executive Independent Directors of the Company, for one term of consecutive five years from the conclusion of ensuing Annual General Meeting of the Company.

At the ensuing Annual General Meeting, in accordance with the provisions of the Companies Act, 2013, Mr. Jaydev Mody and Ms. Urvi Piramal, Directors of the Company, retire by rotation. Mr. Jaydev Mody, being eligible, has offered himself for re-appointment as a Director of the Company. It is proposed to alter the terms of re-appointment of Mr. Jaydev Mody, Director, by making him not liable to retire by rotation. Further, Ms. Urvi Piramal, another director retiring by rotation, has not sought re-appointment and it is proposed not to fill in the vacancy caused by her retirement. The Board of Directors would like to place on record their sincere appreciation for the valuable contribution made by Ms. Urvi Piramal, from time to time, during her tenure as Director of the Company.

Further at the ensuing Annual General Meeting of the Company, it is proposed to alter the terms and conditions of appointment of Dr. Ram H. Shroff to the extent that he shall be liable to retire by rotation.

With the appointment of Mr. Samir Chinai, Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia at the ensuing Annual General Meeting, as Independent Directors, the composition of the Board of Directors of the Company will be in accordance with provision of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement including the Revised (proposed) Clause 49 of the Listing Agreement, which shall be effective from 1st October, 2014.

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/reappointment at the ensuing Annual General Meeting.

Issue of Equity Shares By Way of Preferential Allotment

The Company has allotted 3,97,351 fully paid-up Equity Shares of ₹ 10/- each, at a price of ₹ 32.43/- per Equity Share (including a premium of ₹ 22.43/- per Equity Share) by way of Preferential Allotment to M/s. SSI Trading Private Limited on 2nd April, 2014 which was approved by the members of the Company by way of Postal Ballot dated 19th March, 2014.

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, 2014, 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, 2014 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, 2014 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, from the conclusion of this 32nd Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company subject to ratification by the Members at every Annual General Meeting to be held during the period. 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, 2014 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

Your Directors have appointed M/s. DBK & Associates, Cost Accountants, as the Cost Auditors to conduct the Cost Audit for the year 2014-15.

In accordance with the Cost Audit (Report) Rules, 2011, the Cost Audit Report of the Company for the financial year ended 31st March, 2013 was filed with the Ministry of Corporate Affairs.

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, 4th August, 2014

Registered Office:

B-87, MIDC,
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, 2014.

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

ANNEXURE 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

FORM - A

Disclosure of particulars with respect to conservation of energy

	<u>2013-2014</u>	<u>2012-2013</u>
A. Power and Fuel consumption:		
1. Electricity:		
a. Purchased		
Unit: ('000 KWH)	3123.99	2,955.52
Total Amount (₹ '000)	21,270.99	20,482.98
Rate / per unit (KWH)	6.81	6.93
b. Own Generation		
(i) Through diesel generator	Nil	Nil
(ii) Through steam turbine/generator	Nil	Nil
2. LPG:		
Purchased		
Unit: ('000 Kg)	422.19	463.14
Total Amount (₹ '000)	28,869.21	29,939.94
Rate / per unit (Kg)	68.38	65.49
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	2670	2994
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	361	463

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>2013-14</u>	<u>2012-13</u>
a) Capital	:	₹ 657.54 p.a	₹ 249.72 p.a.
b) Recurring	:	₹ 927.73 p.a.	₹ 487.50 p.a.
c) Total	:	₹ 1,585.27 p.a.	₹ 737.22 p.a.
d) R & D expenditure as % to total turnover	:	1.09%	0.57%

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 ₹ 11,123.80 (₹ '000) (L.Y. ₹ 13,289.44 (₹ '000)) the foreign exchange earned towards tool advance was Nil (L.Y. ₹ 478.86 (₹ '000))

By Order of the Board of Directors,

JAYDEV MODY
Chairman

Date: 4th August, 2014

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

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

Economic Overview:

The year witnessed divergent growth globally, led by strengthening of the US economy, uneven and subdued growth in the Euro area and Japan coupled with a slowdown in Developing & Emerging markets.

In the domestic market, growth continued to be muted with the second successive year of sub 5% GDP growth. The year saw steep currency depreciation in an environment where industrial activity remained in contraction mode, consumption demand continued to weaken, while lackluster capital goods production pointed to stalled investment demand.

With sluggish growth across the larger economy, further compounded by high consumer inflation and weak sentiment, market growth across all categories moderated throughout the year in both volume and value terms.

The operating context for the year was challenging, given the backdrop of a market slowdown, a volatile input cost environment and heightened competitive intensity. Your Company's performance for the year 2013-14 has to be viewed in the context of aforesaid economic and market environment.

Business Overview:

As localization been the recent buzzword of modern business, customers of all sizes is 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, Delta Magnets Group (DMG) successful completion of three decades of existence emphasizes our commitment and strong position in the magnets industry.

DMG comprises of Delta Magnets Limited, Nashik (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.

Your Company 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. Your Company leverages internal R&D, expansion, acquisitions and partnerships to accelerate its long-term strategy.

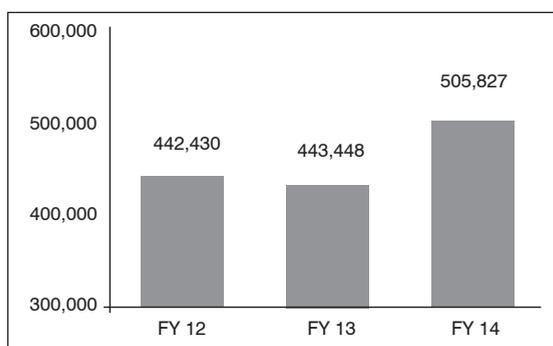
Financial & Operational Performance:

Net Sales

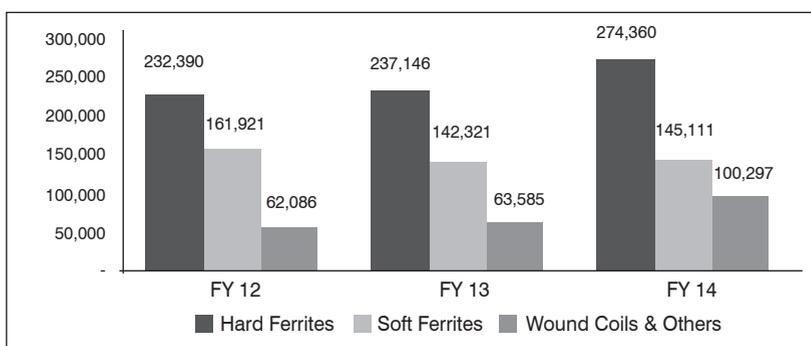
For the fiscal year under review, DMG recorded consolidated net sales of ₹ 505,827 thousands. This was ₹ 72,379 thousands, or 17% higher than the previous fiscal year and reflected such factors as moderate global growth, led by strengthening of the US economy, the moderate growth in automobile industry, electronics and passive component industry.

Turning on an individual business segments performance, results were buoyed by an increased sales of soft ferrites ₹ 2,791 thousands or 2% year on year to ₹ 145,111 thousands, sales of hard ferrites ₹ 37,214 thousands or 16% year on year to ₹ 274,360 thousands and value added services sales 36,712 thousands or 58% year on year to ₹ 100,297 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

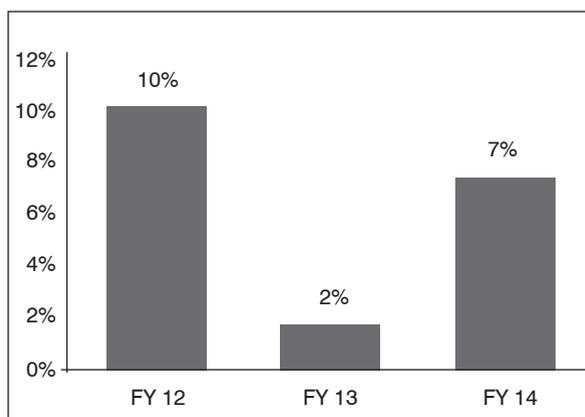
Operating costs increased ₹ 41,913 thousands, or 10% up compared with the previous fiscal year to ₹ 467,966 thousands, largely reflecting increase usage in the production/output as well as the hike in raw material costs and power/fuel costs. As the results of efforts towards cost controls, the operating costs to net sales ratio improved by 5.78% from 98.29% in previous fiscal year to 92.52%.

Selling, general and administrative (SG&A) expenses increased ₹ 23,145 thousands or 13% higher than the previous fiscal year to ₹ 195,528 thousands. SG&A expenses as a ratio to net sales improved by 1.12% from 39.77% in previous fiscal to 38.66%.

Operating Income

Taking into account the aforementioned factors, operating income climbed ₹ 30,466 thousands, or 4.12 times, compared with the previous year to ₹ 37,860 thousands. This is largely reflected our company's improved productivity & efficiency and higher sales. In similarly, the operating income margin mounted by 5% from 2% in the previous fiscal to 7%.

Operating Income (% of Sales)



Net Income

During the fiscal year under review, the interest cost has been increased by 92% as compared to previous fiscal year due to increase in short term borrowings. 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 ₹ 23,196 thousands, grew up by ₹ 35,846 thousands or 2.83 times compared with the previous fiscal year. As a ratio of net sales, this represented an improvement of 8% from -3% in previous fiscal to 5%.

Financial Condition:

Cash Flows

Cash and Cash Equivalents as of March 31st, 2014 stood at ₹ 29,173 thousands, higher than the previous fiscal year of ₹ 22,002 thousands.

Major operating activities included foreign exchange fluctuation and 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 redemption of mutual funds.

Significant financing activities comprised increase in long term borrowings due to depreciation in the value of rupee against GBP and proceedings from short term borrowings.

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

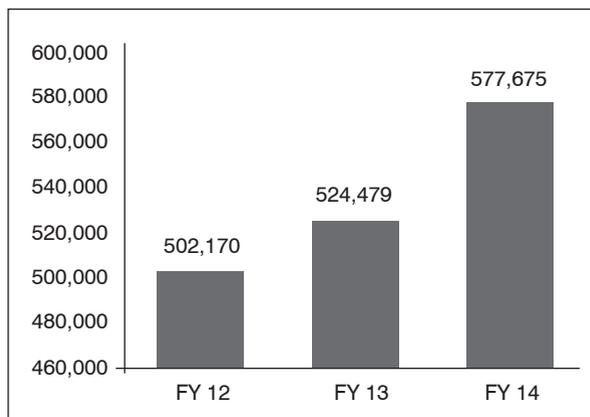
Particulars	2014	2013	2012
Operating Activities	629.72	638.56	37,711.02
Investing Activities	(1,581.77)	(14,632.12)	(24,949.41)
Financing Activities	8,122.30	16,472.93	(32,903.86)
Cash and Cash Equivalents	29,172.53	22,002.29	19,522.93

Assets, Liabilities and Net Assets:

Asset

Total assets stood at ₹ 577,675 thousands as on March 31, 2014, Increase of ₹ 53,196 thousands compared with the previous fiscal year. While fixed assets contracted ₹ 8,143 thousands year on year as compared to previous year mainly due to depreciation and disposal of few assets, other non-current assets increased ₹ 7,601 thousands year on year as compared to previous year because of recognition of Deferred Tax Assets. Current assets climbed by ₹ 53,737 thousands largely reflecting increase in trade receivable and inventories.

Total Assets (₹ In '000)



Liabilities

Total liabilities stood at ₹ 254,848 thousands as on March 31, 2014, an increase of ₹ 35,532 thousands compared with the previous fiscal year end. Mainly because of increase in long term borrowings due to depreciation in the value of rupee against GBP and increase in short-term borrowings & trade payables.

Net Asset

Net assets stood at ₹ 322,827 thousands, an increase of ₹ 17,664 thousands year on year. This is predominately due to the increase/decrease of current assets and current liabilities including short-term borrowings in ordinary course of business.

Internal Controls and Systems:

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

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's Human Resource agenda for the year was focused on strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices at the shopfloor.

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.

Delta Magnets and MMG (India) have internal unions. MagDev does not have any union. The total employee strength as on 31 March 2014 stood at 175, up from 174 in the previous year.

Outlook and Forecast for the Fiscal Year Ending 31st March 2015:

Global economic indicators are expected to improve, led by positive prospects in advanced economies. Despite a strengthening external demand, uncertainty continues to loom large on the economic horizon of some emerging economies owing to domestic fragilities. The global economic climate continues to be volatile, uncertain and prone to geo-political risks.

For India, economic activity is expected to improve modestly, driven by global economic revival and moderation in inflation. Upside pressures on inflation and consumption, hinge on the vagaries of the monsoon and the pace of revival of the investment climate will determine to a very large extent India's economic performance, going forward.

Electronic and Auto markets are expected to grow; however, uncertain global economic environment, inflation and competitive intensity continue to pose challenges. While the near term conditions pose a challenge for the economy, the medium to longer term secular trends based on rising incomes, aspirations, low consumption levels, etc. are positive and an opportunity for your Company, in particular.

Moving forward, Your Company is projecting net sales of ₹ 600,000 thousands approximate in the fiscal year ending March 31st, 2015, an increase of 15% year on year. From a profit perspective, Operating Income (EBITDA) is expected to be around ₹ 42,000 thousands with Net income ₹ 24,000 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 2014.

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 on 31st March, 2014, as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement with the Stock Exchanges is given below. Further the members of the Company are requested to note that the Board of Directors of the Company, at its meeting held on 4th August, 2014, after appointing Additional Directors, have re-named, reconstituted and redefined the terms of reference of Audit Committee, Remuneration Committee and Investors Grievance Committee, as applicable to the respective Committees, in terms of provisions of the Companies Act, 2013 and Revised (proposed) Clause 49 of the Listing Agreement (to be effective from 1st October, 2014). Details of the same shall be given in the next Annual Report.

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. 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.

As on 31st March, 2014 none of the Directors of the Company is a member of the Board of more than fifteen Public Companies (including Private Companies which is subsidiary of Public Company) 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 has been creating, developing and managing businesses for more than 36 years, over 25 of them in real estate development. He played a leading role in building and developing India's first truly global mall 'Crossroads' in South Mumbai (then Bombay).

A humanities graduate from Mumbai University, Mr. Mody has been instrumental in the development of several large residential and commercial complexes and retail destinations in and around Mumbai, among them Peninsula Corporate Park, Ashok Towers, Ashok Gardens, and Peninsula I.T. Park, all of them now established Mumbai landmarks.

He is an entrepreneur and has interests in various businesses including gaming and hospitality, textiles and magnet manufacturing. His keen eye has helped him identify lucrative business opportunities and has pioneered several first of its kind ventures.



Dr. Ram H. Shroff

Dr. Ram H. Shroff is a qualified medical doctor. Dr. Shroff has an experience of more than 14 years in Charak Pharma where he is a Director.

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 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.



Mr. Mahesh Gupta

Mr. Mahesh Gupta is the Group Managing Director with Ashok Piramal Group. He oversees all the businesses of the Group which comprises mainly of Real Estate, Textiles, Cutting Tools and Auto Components.

Mr. Gupta has received a number of recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA (formerly known as EIU), New Delhi.

Mr. Gupta is on the Board of several Public listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, Ceat Limited, RPG Life Sciences Limited, Delta Corp Limited etc. From time to time he has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI), Member Governing Council of Indian Association Corporate CFOs & Treasurers (InACT), Advisory Board of Chennai Business School.

Mr. Gupta 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. He had an outstanding academic record and Third Rank Holder and a Silver Medalist in Company Secretaries Final examination.



Mr. Rajesh Jaggi

Rajesh Jaggi is a Partner & Managing Director of Everstone Capital Advisors' Real Estate business. Rajesh 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.

Everstone is an India and South East Asia focused investor with dedicated private equity and real estate funds. It is one of the largest alternative asset management platforms in South and South East Asia with more than 100 people working across five offices.

Under Rajesh's guidance, the Everstone team has successfully leased and operates nine malls and six logistics parks. Rajesh also leads the teams effort in managing Everstone's substantial portfolio of real estate investments/assets including investor relations and fund divestments, of which six successful transaction have been concluded till date.

Prior to Everstone, Rajesh was the Managing Director of Peninsula Land Limited (a US\$ 400 million market cap listed leading Indian real estate company). 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), SOBO Central (Crossroads) and Bayside Mall. Rajesh 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, Rajesh 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 is an entrepreneur leading the growth of several companies under the umbrella brand "Clover". Having started his career with the flagship brand "Clover Realty", Mr. Tapia has established a strong presence for the Clover Group in areas such as information technology, transaction systems, and renewable energy. In the year 2000, hespearheaded the open source revolution in India through a joint venture – Red Hat India with Red Hat Inc. and expanded the company's footprint acrossSouth Asia.

Mr Tapia is a member of the executive committee of the Young Presidents Organization (YPO), Bombay Chapter. Mr. Tapia is also a member of the Entrepreneurs' Organization (EO) and has served on its executive committee.

Mr. Tapia is an angel investor with a keen interest in the internet, technology and agri-business space. Mr. Tapia is a member of Mumbai Angels, one of the leading “Angel Investment” groups in India.

Mr. Tapia is a postgraduate in business administration from the Duke University’s Fuqua school of business, US and is the founder of Fuqua Alumni Club in India. Mr. Tapia was conferred the “Alumni Impact Award” by his alma mater - Duke University. Mr. Tapia is an avid reader and enjoys horse riding and scuba diving in his free time.



Ms. Ambika Kothari

Ms. Ambika Kothari 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 is a Pediatric Neurologist. Dr. Udani is a consultant at the Hinduja National Hospital, Hinduja Healthcare Surgical 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 is a Chartered Accountant with over 28 years experience. Mr. Khambatta is currently working with 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, 2014.

H. Details of the Board Meetings Held During the Financial Year

During the financial year ended 31st March, 2014, 4 (four) meetings of the Board were held, as follows:

No.	Date	Board Strength	No. of Directors present
1	7 th May, 2013	9	7
2	7 th August, 2013	9	7
3	31 st October, 2013	9	5
4	7 th February, 2014	9	9

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

As on 31st March, 2014 composition of the Board of Directors and attendance of the Directors at the Board Meetings as well as their directorship/membership in Committees of Public Companies 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 2013-2014		Whether attended the last AGM held on 07.09.2013	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	4	3	No	3	2	0
Dr. Ram H. Shroff	Managing Director	4	4	No	1	0	0
Ms. Urvi Piramal	Non-Executive	4	2	No	9	0	1
Mr. Mahesh Gupta	Non-Executive, Independent	4	4	Yes	11	3	4
Mr. Rajesh Jaggi	Non-Executive, Independent	4	4	No	2	0	1
Mr. Javed Tapia	Non-Executive, Independent	4	3	No	2	0	0
Ms. Ambika Kothari	Non-Executive, Independent	4	1	No	0	0	0
Dr. Vrajesh Udani	Non-Executive, Independent	4	3	No	0	0	0
Mr. Darius Khambatta	Non-Executive, Independent	4	4	No	9	0	0

Details of the Directors being re - appointed

Pursuant to provisions of Section 149 of the Companies Act, 2013 and Rules made thereunder, it is proposed to seek shareholders approval for appointment of Mr. Rajesh Jaggi, Mr. Javed Tapia and Dr. Vrajesh Udani an existing Directors of the Company, as non-executive Independent Directors of the Company, for one term of consecutive five years from the conclusion of ensuing Annual General Meeting of the Company.

At the ensuing Annual General Meeting, in accordance with the provisions of the Companies Act, 2013, Mr. Jaydev Mody and Ms. Urvi Piramal, Directors of the Company, retire by rotation. Mr. Jaydev Mody, being eligible, has offered himself for re-appointment as a Director of the Company. Further, Ms. Urvi Piramal, another director retiring by rotation, has not sought re-appointment and it is proposed not to fill in the vacancy caused by her retirement. The Board of Directors would like to place on record their sincere appreciation for the valuable contribution made by Ms. Urvi Piramal, from time to time, during her tenure as Director of the Company.

Detailed profiles of Mr. Jaydev Mody, Dr. Vrajesh Udani, Mr. Rajesh Jaggi and Mr. Javed Tapia 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 as on 31st March, 2014 comprised 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, 2014, 4 (four) meetings of the Audit Committee were held, as follows:

No.	Date	Committee Strength	No. of Members present
1	7 th May, 2013	3	3
2	7 th August, 2013	3	3
3	31 st October, 2013	3	2
4	7 th February, 2014	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 Saturday, 7th September, 2013 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 31st March, 2014 comprised 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, 2014, 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 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, 2014 and Their Relationship with Other Directors of the Company.

Executive Director

NIL

Non Executive Directors

Name	Relationship with other Directors	Sitting Fees	Commission	Total
Mr. Jaydev Mody	Brother of Ms. Urvi Piramal	6,000	-	6,000
Ms. Urvi Piramal	Sister of Mr. Jaydev Mody	4,000	-	4,000
Mr. Mahesh Gupta	None	16,000		16,000
Mr. Rajesh Jaggi	None	16,000	-	16,000
Mr. Javed Tapia	None	12,000		12,000
Ms. Ambika Kothari	None	2,000	-	2,000
Dr. Vrajesh Udani	None	6,000	-	6,000
Mr. Darius Khambatta	None	8,000	-	8,000

During the financial year ended 31st March, 2014, except payment of sitting fees to the Non - Executive Directors, the Company does 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, 2014 is given below:

Name	No. of shares held
Mr. Jaydev Mody	1125
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 31st March, 2014 comprised of three members i.e. Mr. Jaydev Mody, Mr. Rajesh Jaggi and Dr. Ram H. Shroff. Majority of them are Non-Executive Directors. The Chairman of the Committee is Mr. Jaydev Mody.

Meeting and attendance

During the financial year ended 31st March, 2014, 5 (five) meetings of the Share Transfer and Investors Grievance Committee were held, as follows:

No.	Date	Committee Strength	No. of Members Present
1	8 th April, 2013	3	3
2	11 th July, 2013	3	3
3	8 th October, 2013	3	3
4	7 th January, 2014	3	3
5	31 st March, 2014	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, 2014.

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
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
2012 – 13	The Gateway Hotel, Ambad, Nasik-422 010, Maharashtra.	September 7, 2013	Saturday	1.45 p.m.	0

Postal Ballot

During the year, pursuant to provision at Section 192A of the Companies Act, 1956, and the applicable provisions of the Companies Act, 2013 along with the rules as may be prescribed therein read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, one resolution was passed by Shareholders by Postal Ballot. The notices of the Postal Ballot were dispatched to all Shareholders along with postage prepaid envelopes. Mr. Ashish Jain of M/s. A.K. Jain & Co., Practicing Company Secretary had been appointed as a scrutinizer for the Postal Ballots, who submitted his report to the Chairman, the details are given below:

Date of Postal Ballot	Nature of Resolution	Resolution Passed
19 th March, 2014	Special Resolution	Further Issue of Shares by way of Preferential Allotment

At Present the Company is proposing to pass Special Resolutions by way of Postal Ballot pursuant to Section 110 and the applicable provisions of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014 for the following matters:-

1. Consent of the Company under Section 180(1)(c) of the Companies Act, 2013 and Rules made thereunder.
2. Consent of the Company under Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder.
Consent of the Company under Section 186 of the Companies Act, 2013 and Rules made thereunder.

Disclosures

- a) During the financial year 2013-2014 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 : Thursday, 25th day of September, 2014 at 2.00 p.m.

Venue : Hotel Express Inn, Nashik Pathardi Phata, Ambad,
Mumbai Agra Road, Nashik – 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 Thursday, 25th day of September, 2014.

Financial Year : 1st April to 31st March.

Dates of Book Closure : From Tuesday, 23rd day of September, 2014
To Thursday, 25th day of September, 2014 (both days inclusive.)

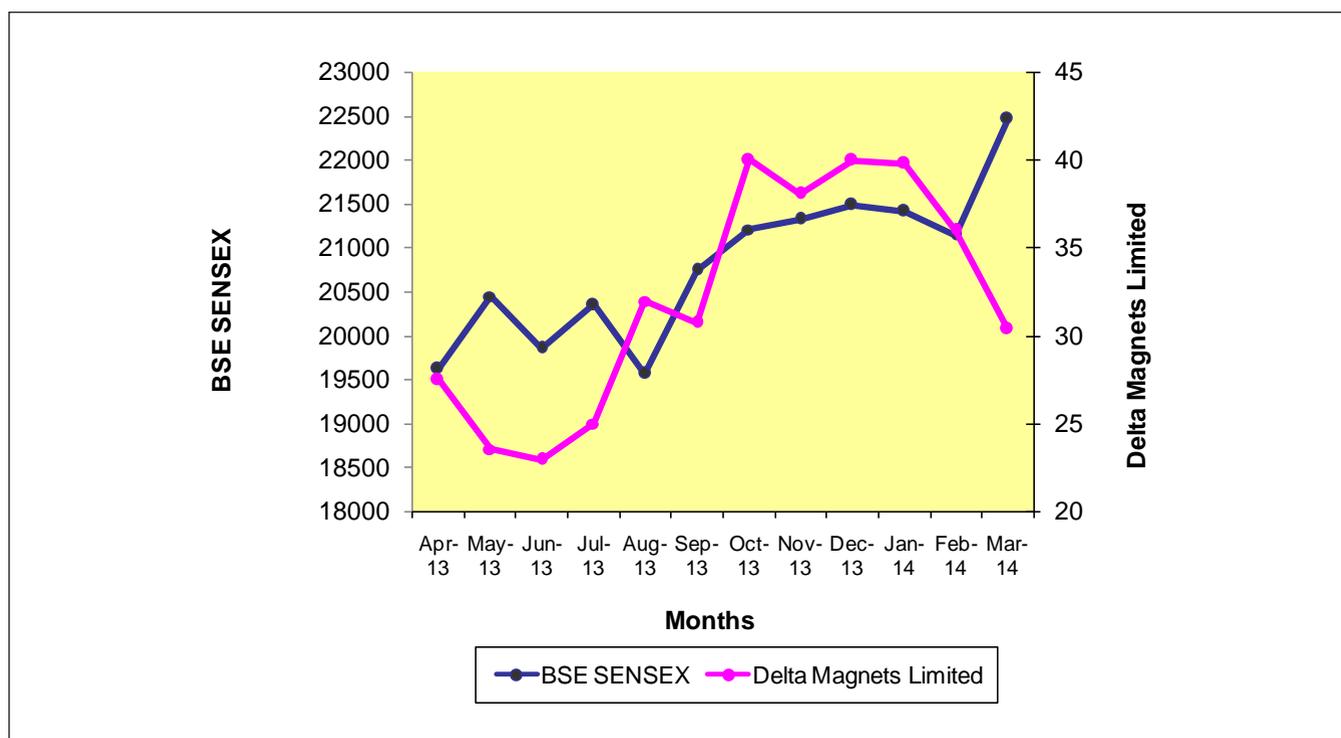
Dividend payment date : Not Applicable

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 twelve month period ended 31st March, 2014:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	27.50	22.50	28.45	28.45
May 2013	23.55	20.85	-	-
June 2013	22.95	21.00	-	-
July 2013	25.00	20.00	-	-
August 2013	31.95	26.25	-	-
September 2013	30.75	28.00	-	-
October 2013	40.00	30.60	-	-
November 2013	38.05	38.05	-	-
December 2013	39.95	39.95	-	-
January 2014	39.80	36.15	31.80	26.00
February 2014	36.00	30.45	35.00	28.50
March 2014	30.35	22.10	28.45	28.45



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 Share Transfer and Investors Grievances Committee.

Distribution of Shareholding according to Numbers as at 31st March, 2014

Category	No. of holders	Percentage	No of shares held in that slab	% to total number of shares
1 to 5000	4034	98.64	951326	15.66
5001 to 10000	29	0.71	208198	3.43
10001 to 20000	14	0.34	191641	3.16
20001 to 50000	06	0.14	220664	3.63
50001 to 100000	02	0.05	159978	2.63
100001 & above	05	0.12	4341856	71.49
TOTAL	4090	100	6073663	100

Distribution of Equity Shareholding according to categories of Shareholders as at 31st March, 2014

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	367834	6.06
	(b) Individuals			
	(i) holding nominal share capital up to ₹ 1 Lacs	3987	1452935	23.92
	(ii) holding nominal share capital in excess of ₹ 1 Lacs	0	0	0
	(c) NRI's	10	4790	0.08
	Total Public Shareholding	4084	1834684	30.21
	TOTAL (A) + (B)	4090	6073663	100

Dematerialisation of shares and liquidity

As on 31st March, 2014, 5,734,635 Equity Shares (94.42% of the total number of shares) are in demat form as compared to 5,729,248 Equity Shares (94.33 % of the total number of shares) as on 31st March, 2013.

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, 2014.

Plant Location

Delta Magnets Limited

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

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, 2 nd 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, 2014.

For Delta Magnets Limited

DR. RAM H. SHROFF
Managing Director

Date: 4th August, 2014

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, 2014 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: 4th August, 2014
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, 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 Companies Act, 1956 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 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. 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 Regn. No.130710W

(Amit Desai)
Partner
M.No. 032926

Mumbai: 28th 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) 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, the provisions of Paragraph 4(iii) (b) (c) and (d) of the Order 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 ₹ 1,200('000) and the year end balance of loans taken from such party was ₹ Nil.
- (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 Paragraph 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 the dues	Amount (₹ in '000)	Period to which 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

- (x) *The Company has accumulated losses which exceeds 50% of its net worth at the end of the financial year. Further the Company has incurred cash losses during the financial year covered by our audit but not 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 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 the 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 Regn. No.130710W

(Amit Desai)
Partner
M.No. 032926

Mumbai: 28th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in '000)

Particulars	Note No.	As at 31 st March, 2014		As at 31 st March, 2013	
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	2	60,736.63		60,736.63	
(b) Reserves & Surplus	3	166,401.45	227,138.08	177,658.85	238,395.48
Non-Current Liabilities					
(a) Long-Term Borrowings	4	105,875.00		105,875.00	
(b) Long-Term Provisions	5	5,075.57	110,950.57	4,089.40	109,964.40
Current Liabilities					
(a) Short-Term Borrowings	6	25,647.54		15,628.79	
(b) Trade Payables	7	17,986.41		11,767.27	
(c) Other Current Liabilities	8	9,279.91		13,747.19	
(d) Short-Term Provisions	9	1,270.75	54,184.61	1,082.79	42,226.03
TOTAL			392,273.26		390,585.91
II. ASSETS					
Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		160,237.65		166,548.52	
(ii) Capital Work-in-Progress		5,583.94		5,656.34	
(iii) Intangible Assets under Development		21.00		21.00	
		165,842.58		172,225.86	
(b) Non-Current Investments	11	139,794.65		139,794.65	
(c) Deferred Tax Assets (Net)	12	4,522.15		4,821.00	
(d) Long-Term Loans & Advances	13	4,096.21	314,255.60	4,002.42	320,843.93
Current Assets					
(a) Current Investments	14	824.72		4,210.63	
(b) Inventories	15	20,600.59		24,201.75	
(c) Trade Receivables	16	47,130.59		33,382.99	
(d) Cash and Bank Balances	17	897.47		925.50	
(e) Short-Term Loans & Advances	18	8,400.81		6,933.55	
(f) Other Current Assets	19	163.49	78,017.66	87.57	69,741.99
TOTAL			392,273.26		390,585.91
Significant Accounting Policies & Notes to the Financial Statements	1 to 28				

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

For Delta Magnets Limited

(Amit Desai)
Partner

Jaydev Mody
Chairman

Dr. Ram H. Shroff
Managing Director

Urvi Piramal
Director

Mahesh Gupta
Director

Rajesh Jaggi
Director

Darius Khambatta
Director

Mumbai: 28th May, 2014

Snehal Oak
Company Secretary

Ambika Kothari
Director

Javed Tapia
Director

Vrajesh Udani
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in '000)

Particulars	Note No.	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
INCOME:			
Revenue From Operations (Gross)	20	169,490.33	156,674.44
Less: Excise Duty		(17,616.26)	(15,912.86)
Revenue From Operations (Net)		151,874.07	140,761.57
Other Income	21	2,008.68	917.05
Total Revenue		153,882.75	141,678.62
EXPENSES:			
Cost of Raw Materials Consumed	22	17,983.61	20,826.23
Changes In Inventories of Finished Goods, Work-in-Progress	23	5,372.53	(5,675.47)
Employee Benefits Expense	24	39,573.66	36,725.50
Finance Costs	25	3,023.06	1,655.47
Depreciation And Amortization Expense	26	8,978.51	9,169.86
Other Expenses	27	89,286.98	84,481.66
Total Expenses		164,218.34	147,183.24
Loss Before Exceptional And Extraordinary Items And Tax		(10,335.59)	(5,504.62)
Exceptional Items		-	-
Loss Before Extraordinary Items And Tax		(10,335.59)	(5,504.62)
Extraordinary Items		-	-
Loss Before Tax		(10,335.59)	(5,504.62)
Tax Expenses:			
- Current Tax		-	-
- Deferred Tax		298.85	-
Total Tax Expenses		298.85	-
Loss After Tax		(10,634.43)	(5,504.62)
Prior Period Items		9.25	189.29
Loss For The Year		(10,643.68)	(5,693.92)
Earning Per Equity Share: (Face Value of ₹10/- Each)			
Basic & Diluted		(1.75)	(1.00)
Significant Accounting Policies & Notes to the Financial Statements	1 to 28		

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

(Amit Desai)
Partner

Mumbai: 28th May, 2014

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/(Loss) Before Tax And Extraordinary Items	(10,335.59)	(5,504.62)
	Adjustments For :		
	Depreciation And Amortization Expense	8,978.51	9,169.86
	Loss/(Profit) on Sale/Discard of Fixed Assets	(305.55)	135.85
	Employee Benefits Expense	1,827.62	1,581.59
	Finance Costs	3,023.06	1,655.47
	Dividend Income	(114.09)	(660.63)
	Provision for Doubtful Debts/(Excess Written Back)	579.39	12.74
	Sundry Balance Written off/(Written Back)	-	(87.59)
	Prior Period Items	(9.25)	(29.17)
	Interest Income	(327.73)	(139.95)
	Operating Profit/(Loss) Before Working Capital Changes	3,316.37	6,133.55
	Adjustments For Working Capital :		
	Trade and Other Receivables	(15,311.29)	(7,908.61)
	Inventories	3,601.17	(5,623.25)
	Trade Payables and Other Current Liabilities	1,098.37	8,406.95
	Cash Generated From Operations	(7,295.38)	1,008.64
	Taxes Paid	(652.66)	(1,368.94)
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	(7,948.04)	(360.30)
B. CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets, Capital Work in Progress	(3,208.97)	(10,515.22)
	Sale of Fixed Assets	305.55	582.78
	Dividend Income	114.09	660.63
	Interest Income	327.73	139.95
	Purchase of Current Investments	3,385.91	(4,210.63)
	NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	924.31	(13,342.49)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Finance Costs	(3,023.06)	(1,655.47)
	Proceeding/(Repayment) From Long Term Borrowing	-	(24,000.00)
	Proceeding/(Repayment) From Short Term Borrowing	10,018.75	5,664.24
	Proceeds from Issuance of Equity Share Capital	-	34,079.69
	Share Issue Expenses	-	(209.98)
	NET CASH FLOW FROM/(USED IN) FINANCING CTIVITES (C)	6,995.70	13,878.48
	INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(28.04)	175.69
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	925.50	749.81
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	897.47	925.50
	Cash and Cash Equivalents Includes:		
	- Cash on Hand	54.24	31.79
	- USD on Hand	56.76	-
	- Balances with Banks in Current Accounts	62.48	227.89
	- Fixed Deposits	723.99	665.82

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement 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 classification.

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

(Amit Desai)
Partner

Mumbai: 28th May, 2014

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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"), 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 judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized.

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.

Interest Income is generally recognized on time proportion method.

Other incomes are recognized on accrual basis.

d. Fixed 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 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.

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.

f. Employee Benefits

Liability is provided for retirement benefits for provident fund, gratuity and leave encashment in respect of all eligible employees. The Company has Gratuity Scheme with Life Insurance Corporation of India. 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.

g. 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 realizable value. Cost includes material cost, cost of conversion and other applicable overheads incurred in bringing them to their present location and condition. In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods. Cost is determined on weighted average cost method.

h. 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. Long-term investments are stated at cost less provision for other than temporary diminution in value. Current investments are carried at lower of cost and fair value.

i. 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 Statement of Profit & Loss 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.

j. Taxation

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.

k. 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.
- iv. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

l. 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 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 and loss.
- 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.

m. 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.

n. Miscellaneous Expenditure

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

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
2. SHARE CAPITAL		
Authorised:		
1,00,00,000 Equity Shares of ₹ 10/- Each	100,000.00	100,000.00
TOTAL	100,000.00	100,000.00
Issued, Subscribed And Fully Paid-Up:		
60,73,663 Equity Shares of ₹10/- Each	60,736.63	60,736.63
TOTAL	60,736.63	60,736.63

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

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	(₹ in '000)	No. of Shares	(₹ in '000)
At the Beginning of the Year	6,073,663	60,736.63	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	6,073,663	60,736.63

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 Equity Shareholders Holding More Than 5 % Shares in the Company:

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	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	16.56
Bayside Property Developers Private Limited *	1,005,979	16.56	1,005,979	16.56
Delta Real Estate Consultancy Private Limited *	1,005,981	16.56	1,005,981	16.56
SSI Trading Private Limited	1,217,802	20.05	1,217,802	20.05

Note: *Aryanish Finance and Investments Private Limited, Bayside Property Developers Private Limited and Delta Real Estate Consultancy Private Limited 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 2014	As at 31 st March 2013
3. RESERVES AND SURPLUS		
Capital Reserve:		
Opening Balance	3,504.25	3,504.25
(+) / (-) : During the Year	-	-
Closing Balance	3,504.25	3,504.25
Securities Premium Reserve:		
Opening Balance	98,273.15	76,531.45
(+) : Securities Premium Credited on Share Issue	-	21,951.68
(-) : Premium Utilised for Share Issue And Other Expenses	-	(209.98)
Closing Balance	98,273.15	98,273.15
Revaluation Reserve:		
Opening Balance	129,957.94	130,571.67
(+) / (-) : During the Year	(613.72)	(613.72)
Closing Balance	129,344.22	129,957.94
General Reserve:		
Opening Balance	39,075.20	39,075.20
(+) / (-) : Transferred to Surplus	(39,075.20)	-
Closing Balance	-	39,075.20
Surplus / (Deficit) as per Statement of Profit & Loss:		
Opening Balance	(93,151.69)	(87,457.77)
(+) / (-) : Net Profit /(Net Loss) During the Year	(10,643.68)	(5,693.92)
(+) / (-) : Transferred from General Reserve	39,075.20	-
Closing Balance	(64,720.18)	(93,151.69)
TOTAL	166,401.45	177,658.85
4. LONG-TERM BORROWINGS		
Unsecured Borrowings:		
From Others		
Loans from Related Parties (Interest-Free and Repayable after One Year)	105,875.00	105,875.00
TOTAL	105,875.00	105,875.00

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
5. LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
Gratuity	4,013.90	3,065.01
Leave Encashment	1,061.67	1,024.40
TOTAL	5,075.57	4,089.40
6. SHORT-TERM BORROWINGS		
Secured Borrowing:		
From a Bank - Cash Credit	25,647.54	15,128.79
(Repayable on demand & carries floating interest @14.50% p.a. payable at monthly rests. Further it is secured against first hypothecation charge on the entire current assets and movable fixed assets of the Company, both present and future and also secured by way of equitable mortgage of land & building owned by the Company.)		
Unsecured Borrowing:		
Loan from a Related Party (Repayable on demand and interest-free)	-	500.00
TOTAL	25,647.54	15,628.79
7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	5,292.58	2,763.84
Others	12,693.83	9,003.43
TOTAL	17,986.41	11,767.27

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

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

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
The principal amount remaining unpaid at the end of the year.	5,292.58	2,763.84
The interest amount remaining unpaid at the end of the year.	63.50	28.94
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.	63.50	28.94
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.	63.50	28.94
8. OTHER CURRENT LIABILITIES		
Duties & Taxes	3,098.81	3,821.20
Advance Received from Customers	3,016.54	4,454.94
Employee Liabilities	3,101.07	5,442.11
Other Payables	63.50	28.94
TOTAL	9,279.91	13,747.19
9. SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Gratuity	1,087.31	955.44
Leave Encashment	183.44	127.35
TOTAL	1,270.75	1,082.79

10. FIXED ASSETS

(₹ in '000)

Tangible Assets	Leasehold Land	Factory Building	Plant & Machineries & Fixtures	Furniture	Equipments	Vehicles	Computers	Total
GROSS BLOCK								
As at 1 st April, 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
Disposals	-	-	-	5.00	65.34	1,015.73	-	1,086.07
As at 31 st 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
Additions	-	-	2,791.72	58.31	382.63	-	48.70	3,281.36
Disposals	-	-	9,733.89	-	-	-	-	9,733.89
As at 31 st March, 2014	114,558.00	44,257.60	282,687.75	3,911.27	11,777.99	616.88	1,055.68	458,865.17

ACCUMULATED DEPRECIATION

As at 1 st April, 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
on Disposals	-	-	-	-	24.42	343.02	-	367.44
As at 31 st March, 2013	165.60	18,592.12	268,860.00	3,576.12	6,700.83	502.22	372.28	298,769.18
Charge for the Year	5.25	1,454.55	7,308.42	107.34	490.48	58.60	167.59	9,592.23
on Disposals	-	-	9,733.89	-	-	-	-	9,733.89
As at 31 st March, 2014	170.85	20,046.66	266,434.53	3,683.46	7,191.31	560.82	539.87	298,627.52

NET BLOCK

As at 31 st March, 2013	114,392.40	25,665.49	20,769.92	276.84	4,694.53	114.66	634.70	166,548.52
As at 31 st March, 2014	114,387.15	24,210.94	16,253.22	227.81	4,586.69	56.06	515.81	160,237.65

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

(₹ in '000)

Capital Work-in Progress - Net Block	Opening	Addition	Deduction	Total
As at 31 st March, 2013	9,266.59	7,165.55	(10,775.80)	5,656.34
As at 31 st March, 2014	5,656.33	30.46	(102.85)	5,583.94

Intangible Assets under Development - Net Block	Opening	Addition	Deduction	Total
As at 31 st March, 2013	-	21.00	-	21.00
As at 31 st March, 2014	21.00	-	-	21.00

(₹ in '000)

Particulars	As at	
	31 st March 2014	31 st March 2013
11. NON-CURRENT INVESTMENTS		
Investments in Subsidiary Companies:		
Trade Investments (At Cost)		
Unquoted Fully Paid-up Equity Shares of:		
MMG India Private Limited	76,810.89	76,810.89
(1,38,65,870 Equity Shares of ₹ 10 each)		
MagDev Limited (Foreign Company)	62,983.76	62,983.76
(762,500 Equity Shares of £ 1 each, 2,500 Deferred Shares of £ 1 each)		
TOTAL	139,794.65	139,794.65

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Book Value	Market Value	Book Value	Market Value
Aggregate Amount of Quoted Investments	-	-	-	-
Aggregate Amount of Unquoted Investments	139,794.65	-	139,794.65	-

12. 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:

Particulars	As at	
	31 st March 2014	31 st March 2013
NET DEFERRED TAX LIABILITY / (ASSETS)		
Deferred Tax Liability arising on account of:		
Difference between Book and Tax Depreciation	298.85	-
(A)	298.85	-
Deferred Tax Asset arising on account of:		
Business Loss & Expenses Disallowed under the Income Tax Act, 1961	4,821.00	4,821.00
(B)	4,821.00	4,821.00
Net Deferred Tax Liability / (Assets)	(A) - (B)	(4,821.00)

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
13. LONG-TERM LOANS AND ADVANCES		
Security Deposits:		
Unsecured, Considered Good		
- With Public Bodies	3,905.76	3,674.76
- With Others	5.00	5.00
Capital Advances:		
Unsecured, Considered Good	185.45	322.66
TOTAL	4,096.21	4,002.42
14. CURRENT INVESTMENTS		
Investments in Mutual Funds (Unquoted):		
JP Morgan India Liquid Fund - Direct Plan (54,386.783 Units, Face Value - ₹ 10.00 per unit, NAV of ₹ 10.0201 per unit P .Y. ₹ Nil)	544.96	-
JP Morgan India Liquid Fund - Super Inst (27,870.4652 Units, Face Value - ₹ 10.00 per unit, NAV of ₹ 10.0378 per unit P .Y. 4,20,730.4947 Units, Face Value - ₹ 10.00 per unit, NAV of ₹ 10.0079 per unit)	279.76	4,210.63
TOTAL	824.72	4,210.63
15. INVENTORIES		
Raw Materials	2,730.00	386.36
Work-in-Progress	5,048.58	11,728.31
Finished Goods	8,001.82	6,694.62
Stores and Spares, Consumables etc.	4,527.97	5,229.15
Loose Tools	292.21	163.31
TOTAL	20,600.59	24,201.75
16. TRADE RECEIVABLES		
Unsecured, Considered Good:		
Over Six Months - Considered Good	871.01	906.71
Over Six Months - Considered Doubtful	609.19	71.05
Less: Provision for Doubtful Debts	(609.19)	(71.05)
Others - Considered Good	46,259.58	32,476.28
TOTAL	47,130.59	33,382.99

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.

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents:		
Balances with Banks in Current Accounts	62.48	227.89
Cash on Hand	54.24	31.79
USD on Hand	56.76	-
Other Bank Balances:		
Bank Deposits (Fixed Deposits with maturity more than 3 months but less than 12 months)	723.99	665.82
TOTAL	897.47	925.50
18. SHORT TERM LOANS AND ADVANCES		
Deposits:		
Unsecured, Considered Good		
- With Others	165.76	103.82
Balance With Statutory / Government Authorities	1,375.78	1,835.92
Advance Income Tax (Net of Provision for Taxes)	4,160.53	3,507.86
Prepaid Expenses	619.11	243.45
Advance to Creditors	1,590.04	745.06
Advances to Employees	480.72	463.55
Other Advances	8.87	33.89
TOTAL	8,400.81	6,933.55
19. OTHER CURRENT ASSETS		
Accrued Interest Receivable	163.49	87.57
TOTAL	163.49	87.57

(₹ in '000)

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
20. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	163,265.33	144,455.12
Sale of Services	5,400.00	12,000.00
Other Operating Revenues	825.00	219.31
TOTAL	169,490.33	156,674.44
21. OTHER INCOME		
Interest Income	327.73	139.95
Exchange Rate Fluctuation Income	-	7.71
Net Gain on Sale of Fixed Assets	305.55	-
Dividend Income from Mutual Fund	114.09	660.63
Sundry Balance Written Back	-	87.59
Insurance Claim Income	1,082.66	-
Other Non-Operating Income	178.65	21.17
TOTAL	2,008.68	917.05
22. COST OF MATERIAL CONSUMED		
Opening Stocks	386.36	2,035.88
Add: Purchases	20,327.25	19,176.71
	20,713.61	21,212.59
Less: Closing Stocks	(2,730.00)	(386.36)
TOTAL	17,983.61	20,826.23

(₹ in '000)

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
23. CHANGE IN STOCK OF FINISHED GOODS & WORK-IN-PROGRESS		
Stocks At the End:		
Finished Goods	8,001.82	6,694.62
Work-in-Progress	5,048.58	11,728.31
(A)	13,050.40	18,422.93
Stocks At the Beginning:		
Finished Goods	6,694.62	4,850.62
Work-in-Progress	11,728.31	7,896.84
(B)	18,422.93	12,747.46
TOTAL	(B) - (A) 5,372.53	(5,675.47)
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	34,897.37	32,327.55
Contribution to Provident and Other Funds	2,240.50	2,371.49
Contribution to Gratuity Fund and Leave Encashment	1,827.62	1,581.59
Staff Welfare Expenses	608.17	444.86
TOTAL	39,573.66	36,725.50
25. FINANCE COSTS		
Interest Expenses	2556.91	1378.93
Other Borrowing Costs	466.15	276.54
TOTAL	3,023.06	1,655.47
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation for the Year	9,592.23	9,943.71
Less: Transfer from Revaluation	(613.72)	(613.72)
Less: Transfer to Prior Period Item	-	(160.13)
TOTAL	8,978.51	9,169.86

(₹ in '000)

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
27. OTHER EXPENSES		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	20,747.44	19,948.33
Power and Fuel	50,140.20	50,422.92
Rates, Taxes and Water Charges	283.54	248.81
Repairs and Maintenance:		
- Plant & Machinery	3,083.05	2,972.07
- Building	177.22	402.90
- Others	46.49	78.13
Excise Duty Variation on Opening / Closing Stock	10.79	202.85
Insurance Charges	208.29	169.34
Travelling Expenses	2,016.54	1,747.68
Freight Charges	3,148.83	2,700.32
Directors' Sitting Fees	70.00	96.00
Bad Debts	579.39	12.74
Loss on Sale of Fixed Assets (Net)	-	135.85
Loss on Foreign Exchange	917.46	-
Loss by Flood	64.49	-
Rent Paid	792.00	-
Legal & Professional Fees	2,523.48	1,999.87
Miscellaneous Expenses	4,206.38	3,105.89
Payments to the Auditor:		
- As Auditor	120.15	120.15
- For Taxation Matters	50.00	50.00
- For Company Law Matters,	75.00	-
- For Other Services	25.40	67.84
- For Reimbursement of Expenses	0.82	-
	271.36	237.99
TOTAL	89,286.98	84,481.66

28. NOTES TO THE 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 ₹ 2,347.73 ('000)).
- ii. Disputed (net) demands for Sales Tax (CST) – Nil (Previous year ₹ 60.42('000)).
- iii. Sales Tax Liability (On account of pending 'C' forms) ₹ 3,948.03('000) (Previous year ₹ 2,051.87('000))

B. Capital Commitments

Estimated amounts of Capital Commitments– ₹ 271.50 ('000) (Previous year ₹ 271.50 ('000)).

- C. 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.

D. Expenditure in Foreign Currency

(₹ '000)

Particulars	2013-14	2012-13
Traveling & Other Expenses	327.52	173.21

E. CIF Value of Imports

(₹ '000)

Particulars	2013-14	2012-13
Raw Materials	8371.95	8906.37
Capital Goods	1820.46	2180.48
Stores, Spares and Components	873.15	1587.76

F. Consumption of Raw Materials

(₹ '000)

Particulars	2013-14	2012-13
Ferric Oxide	-	2,171.05
Special Ferric Oxide	8678.53	9,030.53
Strontium Carbonate	8371.95	7,806.37
Semi-finished Magnets(Imported)	-	1,100.00
Others	933.13	718.29
TOTAL	17983.61	20,826.23

G. Value of Imported and Indigenous Raw Material, Stores, and Spares Consumed

(Figures in bracket pertain to previous year)

Particulars	Imported		Indigenous		Total	
	(₹ in '000)	%	(₹ in '000)	%	(₹ in '000)	%
Raw Material	8,371.95	46.55	9,611.66	53.45	17,983.61	100.00
	(8,906.37)	(42.77)	(11,919.87)	(57.23)	(20,826.23)	(100.00)
Stores, Spares and Components	873.15	4.21	19,874.29	95.79	20747.44	100.00
	(1,587.76)	(7.96)	(18,360.57)	(92.04)	(19,948.33)	(100.00)

H. Details of Turnover and Inventory during the year.

(Figures in bracket pertain to previous year) (₹ '000)

Finished Goods	Sales Value	Closing Inventory	Opening Inventory
Hard Ferrite	1,63,265.33	8,001.82	6,694.62
	(1,44,455.12)	(6,694.62)	(4,850.62)

Work-in-Progress	Closing Inventory	Opening Inventory
Hard Ferrite	5,048.58	11,728.31
	(11,728.31)	(7,896.84)

I. 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 Private Limited (MMG - I)
- MagDev Limited (MagDev UK)

(ii) Key Management Personnel:

- Capt. R Barick - Whole - Time Director (upto 30th September, 2012)
- Dr. Ram H. Shroff - Managing Director

(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
- Ms. Anjali Mody (AM) - Daughter of Chairman
- Mrs. Urvi Pirmal (UP) - Sister of Chairman
- Dr. Ram H. Shroff - Executive Vice Chairman & Managing Director

(iv) Enterprises over which Key Management Personnel/Individuals or their Relatives mentioned in (ii) or (iii) above exercise Significant Influence:

- AZB and Partners (AZB)
- Freedom Registry Limited (FRL)
- Aarti Managements Private Limited (AAMPL)
- Aditi Managements Private Limited (ADMPL)
- Anjoss Trading Company Private Limited (ATCPL)
- Delta Corp Limited (DCL)
- SSI Trading Private Limited (SSI)
- AAA Holding Trust (AAAHT)
- Skarma (SK)

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

(₹ in '000)

Particulars	Subsidiaries		Key Management Personnel / Individuals Exercises Significant Influence		Enterprises Over which Key Management Personnel / Individual Exercise Significant Influence		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Remuneration Paid								
Capt. R Barick	-	-	-	3,658.37	-	-	-	3,658.37
Sub Total	-	-	-	3,658.37	-	-	-	3,658.37
Director Sitting Fees								
J M	-	-	6.00	4.00	-	-	6.00	4.00
U P	-	-	4.00	10.00	-	-	4.00	10.00
Sub Total	-	-	10.00	14.00	-	-	10.00	14.00
Sale of Services								
M M G - I	5,400.00	12,000.00	-	-	-	-	5,400.00	12,000.00
Sub Total	5,400.00	12,000.00	-	-	-	-	5,400.00	12,000.00
Purchase of Goods								
M M G - I	35.74	-	-	-	-	-	35.74	-
Sub Total	35.74	-	-	-	-	-	35.74	-
Rent Paid								
AAAHT	-	-	-	-	576.00	-	576.00	-
Sub Total	-	-	-	-	576.00	-	576.00	-
Issue of Equity Shares with Sec Premium								
SSI	-	-	-	-	-	34,079.69	-	34,079.69
Sub Total	-	-	-	-	-	34,079.69	-	34,079.69

Particulars	Subsidiaries		Key Management Personnel / Individuals Exercises Significant Influence		Enterprises Over which Key Management Personnel / Individual Exercise Significant Influence		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Professional Fees Paid								
A Z B	-	-	-	-	96.95	91.29	96.95	91.29
F R L	-	-	-	-	51.94	54.37	51.94	54.37
S K	-	-	-	-	90.00	-	90.00	-
Sub Total	-	-	-	-	238.89	145.66	238.89	145.66
Sharing of Resources #								
D C L	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-
Loan Received								
M M G - I	1,200.00	1,000.00	-	-	-	-	1,200.00	1,000.00
A A M P L	-	-	-	-	1,000.00	-	1,000.00	-
A D M P L	-	-	-	-	1,000.00	-	1,000.00	-
A T C P L	-	-	-	-	1,000.00	-	1,000.00	-
Sub Total	1,200.00	1,000.00	-	-	3,000.00	-	4,200.00	1,000.00
Repayment of Loan								
M M G - I	1,700.00	9,000.00	-	-	-	-	1,700.00	9,000.00
A A M P L	-	-	-	-	1,000.00	24,000.00	1,000.00	24,000.00
A D M P L	-	-	-	-	1,000.00	-	1,000.00	-
A T C P L	-	-	-	-	1,000.00	-	1,000.00	-
Sub Total	1,700.00	9,000.00	-	-	3,000.00	24,000.00	4,700.00	33,000.00
Outstanding as on 31st March Loan Payable								
A A M P L	-	-	-	-	19,875.00	19,875.00	19,875.00	19,875.00
A D M P L	-	-	-	-	43,000.00	43,000.00	43,000.00	43,000.00
A T C P L	-	-	-	-	43,000.00	43,000.00	43,000.00	43,000.00
M M G - I	-	500.00	-	-	-	-	-	500.00
Sub Total	-	500.00	-	-	105,875.00	105,875.00	105,875.00	106,375.00
Expenses Payable								
F R L	-	-	-	-	23.58	12.14	23.58	12.14
A A A H T	-	-	-	-	581.48	-	581.48	-
Sub Total	-	-	-	-	605.06	12.14	605.06	12.14

Transactions are of non monetary condition.

J. Earnings Per Share (Basic and Diluted)

(₹ in '000 unless specified)

Particulars	2013-14	2012-13
Loss after tax for the year	(10,643.68)	(5,693.92)
Weighted Average Number of Equity Shares	60,73,663	57,18,130
Earnings Per Share – Basic & Diluted (Rs.)	(1.75)	(1.00)
Nominal Value per Equity Share (Rs.)	10.00	10.00

K. Employee Benefits

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

- 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.
- 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)		(Unfunded)	
		2013-14	2012-13	2013-14	2012-13
1	Assumptions :				
	Discount Rate	9.07%	8.25%	9.07%	8.25%
	Salary Escalation	10.00%	5.00%	10.00%	5.00%
2	Changes in Present Value of Obligations:				
	Present value of obligations as at beginning of year	9,213.54	8,401.15	1,151.74	1,282.35
	Interest Cost	760.12	714.10	95.02	109.00
	Current Service Cost	569.18	509.22	326.17	250.94
	Benefit Paid	(139.33)	(252.12)	(187.52)	(220.70)
	Actuarial (Gain) / Loss on obligations	665.20	(158.81)	(140.31)	(269.85)
	Present value of obligations as at end of year	11,068.71	9,213.54	1,245.11	1,151.74
3	Amount recognized in the Balance Sheet :				
	Liability at the end of the year	11,068.71	9,213.54	1,245.11	1,151.74
	Fair value of Plant Assets at the end of the year	5,967.50	5,193.10	-	-
	Difference	(5,101.21)	(4,020.44)	(1,245.11)	(1,151.74)
	Amount recognized in the Balance Sheet	(5,101.21)	(4,020.44)	(1,245.11)	(1,151.74)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		(Funded)		(Unfunded)	
		2013-14	2012-13	2013-14	2012-13
4	Expenses recognized in the Statement of Profit and Loss:				
	Current Service Cost	569.18	509.22	326.17	250.94
	Interest Cost	760.12	714.10	95.02	109.00
	Expected return on Plan assets	(451.80)	(398.66)	-	-
	Actuarial (Gain) or Loss	669.24	(172.57)	(140.31)	(269.85)
	Expenses recognized in the Statement of Profit and Loss	1,546.74	652.09	280.88	90.09
5	Balance Sheet Reconciliation :				
	Opening Net Liability	4,020.44	3,765.63	1,151.74	1,282.35
	Expenses as above	1,546.74	652.09	280.88	90.09
	Employer's Contribution	(465.98)	(397.28)	(187.52)	(220.70)
	Closing Net Liability	5,101.21	4,020.44	1,245.10	1,151.74

iii. Under Defined Contribution Plan

(₹ in '000)

Particular	2013-14	2012-13
Contribution to Provident Fund	1558.87	1,671.88
Contribution to ESIC	542.49	552.24

- L. 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.

M. Operating Lease Expense

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

(₹ in '000)

Particular	2013-14	2012-13
Lease Rent Paid during the Year	792.00	-
TOTAL	792.00	-

The future minimum lease expense is as under:

(₹ in '000)

Particular	2013-14	2012-13
Up to 1 Year	144.00	-
1 Year to 5 Year	-	-
Above 5 Year	-	-
TOTAL	144.00	-

- N.** 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.
- O.** 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 Piramal
Director

Mahesh Gupta
Director

Rajesh Jaggi
Director

Darius Khambatta
Director

Ambika Kothari
Director

Javed Tapia
Director

Vrajesh Udani
Director

Mumbai: 28th May, 2014

Snehal Oak
Company Secretary

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	(38,123.70)	35,208.42	135,743.41	-	128,560.62	3,232.55	20.80	3,211.75	-	India
2.	MagDev Limited	GBP (in '000)	765.00	512.58	746.41	1,810.07	-	2,746.67	271.57	(79.38)	350.95	-	UK
		INR	55,025.61	51,180.96	74,528.79	180,735.36	-	250,181.69	24,735.65	(7,230.72)	31,966.37	-	

Exchange Rate for 1 GBP as on 31.03.2014 :

Closing Rate ₹ 99.8498

Average Rate ₹ 91.0854

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, 2014, 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 consolidated 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 consolidated 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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 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 the Company 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 and associates 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, 2014;
- 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. 28(J) to the financial statement, with regards to MAT Credit Entitlement of ₹ 2,868.00('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 ₹ 1,80,735.36('000) as at 31st March, 2014, total revenue of ₹ 2,50,181.69('000) and Net Cash inflow of ₹ 10,313.18('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: 28th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in '000)

Particulars	Note No.	As at 31 st March, 2014		As at 31 st March, 2013	
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	2	60,736.63		60,736.63	
(b) Reserves & Surplus	3	249,043.04	309,779.67	231,916.03	292,652.66
Non-Current Liabilities					
(a) Long-Term Borrowings	4	135,827.86		132,796.12	
(b) Long-Term Provisions	5	13,046.90	148,874.76	12,510.09	145,306.21
Current Liabilities					
(a) Short-Term Borrowings	6	27,904.77		15,128.79	
(b) Trade Payables	7	54,702.54		39,035.80	
(c) Other Current Liabilities	8	33,652.62		30,478.09	
(d) Short-Term Provisions	9	2,760.33	119,020.26	1,877.11	86,519.80
TOTAL			<u>577,674.69</u>		<u>524,478.67</u>
II. ASSETS					
Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		253,009.10		261,153.74	
(ii) Intangible Assets		435.68		737.95	
(iii) Capital Work-in-Progress		5,857.61		5,553.35	
(iv) Intangible Assets under Development		21.00		21.00	
			<u>259,323.39</u>	<u>267,466.04</u>	
(b) Goodwill on Consolidation		17,452.41		17,452.41	
(c) Deferred Tax Assets (Net)	11	23,461.81		15,909.92	
(d) Long-Term Loans & Advances	12	8,888.31	309,125.92	8,838.99	309,667.36
Current Assets					
(a) Current Investments	13	824.72		4,210.63	
(b) Inventories	14	91,574.50		83,569.33	
(c) Trade Receivables	15	122,769.79		84,080.16	
(d) Cash & Bank Balances	16	29,172.53		22,002.29	
(e) Short-Term Loans & Advances	17	23,682.67		20,387.04	
(f) Other Current Assets	18	524.57	268,548.78	561.86	214,811.31
TOTAL			<u>577,674.69</u>		<u>524,478.67</u>
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)
Partner

Mumbai: 28th May, 2014

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, 2014

(₹ in '000)

Particulars	Note No.	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
INCOME:			
Revenue From Operations (Gross)	19	527,597.30	452,266.80
Less: Excise Duty		(21,770.79)	(18,818.63)
Revenue From Operations (Net)		505,826.51	433,448.17
Other Income	20	6,136.47	4,775.71
Total Revenue		511,962.98	438,223.87
EXPENSES:			
Cost of Raw Materials Consumed	21	43,991.92	45,050.82
Purchase of Stock-in-Trade	22	129,870.92	111,813.15
Changes In Inventories Of Finished Goods, Work-in-Progress And Stock-in-Trade	23	(5,343.81)	(6,041.38)
Employee Benefit Expense	24	127,351.82	115,704.75
Finance Costs	25	7,685.43	4,009.87
Depreciation and Amortization Expense	26	13,978.50	14,742.90
Other Expenses	27	178,231.95	164,302.05
Total Expenses		495,766.73	449,582.16
Profit / (Loss) Before Exceptional And Extraordinary Items And Tax		16,196.26	(11,358.29)
Exceptional Items		-	-
Profit / (Loss) Before Extraordinary Items and Tax		16,196.26	(11,358.29)
Extraordinary Items		-	-
Profit / (Loss) Before Tax		16,196.26	(11,358.29)
Tax Expenses:			
- Current Tax		-	-
- Deferred Tax		(6,856.12)	-
- Earliar Year's Tax Adjustments		(54.95)	(185.30)
Total Tax Expenses		(6,911.07)	(185.30)
Profit / (Loss) After Tax		23,107.33	(11,172.99)
Prior Period Items		(88.75)	1,477.04
Profit/(Loss) For The Year		23,196.08	(12,650.03)
Earnings Per Equity Share: (Face Value of ₹ 10/- Each)			
Basic & Diluted		3.82	(2.21)
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)
Partner

Mumbai: 28th May, 2014

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, 2014

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/(Loss) Before Tax and Extraordinary Items	16,196.26	(11,358.29)
	Adjustments For:		
	Depreciation	13,978.50	14,742.90
	Loss/ (Profit) on Sale of Fixed Asset	(308.34)	135.85
	Employee Benefits	2,481.79	3,430.50
	Finance Costs	7,685.43	4,009.87
	Exchange Rate Difference	(6,151.11)	249.82
	Provision for Doubtful Debts/(Excess Written Back)	1,230.93	(597.73)
	Sundry Balance Written off/(Written Back)	56.01	250.24
	Prior Period (Expense)/ Income	88.75	(1,316.91)
	Dividend Income	(114.09)	(660.63)
	Interest Income	(1,059.48)	(1,058.97)
	Operating Profit/(Loss) Before Working Capital Changes	34,084.64	7,826.65
	Adjustments For Working Capital:		
	Trade and Other Receivables	(41,705.45)	(8,162.84)
	Inventories	(8,005.18)	(7,604.15)
	Trade Payables and Other Liabilities	17,723.51	9,762.54
	Cash Generated From Operations	2,097.51	1,822.20
	Taxes Paid	(1,467.81)	(1,183.64)
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	629.72	638.56
B. CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets, Capital Work in Progress	(6,449.59)	(12,636.37)
	Purchase of Intangible Assets	-	(570.00)
	Current Investments	3,385.91	(4,210.63)
	Sale of Fixed Assets	308.34	1,065.28
	Dividend Income	114.09	660.63
	Interest Income	1,059.48	1,058.97
	NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(1,581.77)	(14,632.12)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in '000)

Sr. No.	Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance Costs	(7,685.43)	(4,009.87)
	Proceeds from Issuance of Equity Share Capital	-	34,079.68
	Share Issue Expenses	-	(209.98)
	Proceedings / (Repayment) From Long-Term Borrowings	3,031.74	(27,051.15)
	Proceedings / (Repayment) From Short-Term Borrowings	12,775.98	13,664.24
	NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (C)	8,122.30	16,472.93
	INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	7,170.24	2,479.37
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	22,002.29	19,522.93
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	29,172.53	22,002.29
	Cash and Cash Equivalent includes:		
	- Cash On Hand	218.02	79.15
	- USD on Hand	56.76	-
	- Cheques on Hand	35.74	-
	- Balances with Banks in Current Accounts	25,405.06	14,875.12
	- Deposits (Fixed Deposits with maturity less than 3 months)	2,732.96	2,500.00
	- Deposits (Fixed Deposits with maturity more than 3 months but less than 12 months)	723.99	4,548.02

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 conform to the current year's classification.

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

(Amit Desai)
Partner

Mumbai: 28th May, 2014

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, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Consolidated 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. 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.
- v. As far as possible, 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. "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 exclude excise duty and sales tax."
- 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.
- iv. Other incomes are recognized on accrual basis.

d. Fixed 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 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.

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 realizable value. Cost includes material cost, cost of conversion and other applicable overheads incurred in bringing them to their present location and condition. In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods. Cost is determined on weighted average cost method. Stock-in-Trade is valued at lower of cost or net realizable value on FIFO basis after making due allowance for obsolete & slow moving stock.

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. Company's contribution to 'defined contribution pension scheme' is charged to Statement of Profit and Loss.

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 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. 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 statement of profit and loss as per the terms of lease agreement over the period of lease.

n. Miscellaneous Expenditure

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

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
2. SHARE CAPITAL		
Authorised:		
1,00,00,000 Equity Shares of ₹ 10/- Each	100,000.00	100,000.00
TOTAL	100,000.00	100,000.00
Issued, Subscribed And Fully Paid-Up:		
60,73,663 Equity Shares of ₹ 10/- Each	60,736.63	60,736.63
TOTAL	60,736.63	60,736.63

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

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	(₹ in '000)	No. of Shares	(₹ in '000)
At the Beginning of the Year	6,073,663	60,736.63	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	6,073,663	60,736.63

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, 2014		As at 31 st March, 2013	
	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	16.56
Bayside Property Developers Private Limited *	1,005,979	16.56	1,005,979	16.56
Delta Real Estate Consultancy Private Limited *	1,005,981	16.56	1,005,981	16.56
SSI Trading Private Limited	1,217,802	20.05	1,217,802	20.05

Note: *Aryanish Finance and Investments Private Limited, Bayside Property Developers Private Limited and Delta Real Estate Consultancy Private Limited 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 2014	As at 31 st March 2013
3. RESERVES AND SURPLUS		
Capital Reserves:		
Opening Balance	3,504.25	3,504.25
(+) / (-) : During the Year	-	-
Closing Balance	3,504.25	3,504.25
Securities Premium Reserve:		
Opening Balance	98,273.15	76,531.45
(+) : Securities Premium Credited on Share Issue	-	21,951.68
(-) : Premium Utilised for Share Issue And Other Expenses	-	(209.98)
Closing Balance	98,273.15	98,273.15
Revaluation Reserve:		
Opening Balance	129,957.94	130,571.67
(+) / (-) : During the Year	(613.72)	(613.72)
Closing Balance	129,344.22	129,957.94
General Reserves:		
Opening Balance	39,075.20	39,075.20
(+) / (-) : Transferred to Surplus	(39,075.20)	-
Closing Balance	-	39,075.20
Foreign Currency Translation Reserve:		
Opening Balance	(1,992.89)	(2,242.71)
(+) / (-) : During the Year	(5,455.35)	249.82
Closing Balance	(7,448.25)	(1,992.89)
Surplus / (Deficit) in Statement of Profit & Loss:		
Opening Balance	(36,901.62)	(24,251.58)
(+) / (-) : Net Profit / (Net Loss) During the Year	23,196.08	(12,650.03)
(+) / (-) : Transferred from General Reserve	39,075.20	-
Closing Balance	25,369.66	(36,901.62)
TOTAL	249,043.04	231,916.03

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
4. LONG TERM BORROWINGS		
Secured Term Loans:		
From a Bank	29,952.86	26,921.12
(Term Loan of £ 434K @ Interest 3.8% over base rate, base rate currently 4.5%, 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:		
From Others		
Loans from Related Parties (Interest-Free and Repayable after One Year)	105,875.00	105,875.00
TOTAL	135,827.86	132,796.12
5. LONG TERM PROVISIONS		
Provision for Employee Benefits:		
Gratuity	10,575.24	9,935.21
Leave Encashment	2,471.66	2,574.88
TOTAL	13,046.90	12,510.09
6. SHORT TERM BORROWINGS		
Secured Borrowing:		
From Bank - Secured	27,904.77	15,128.79
(Out of ₹ 27,904.77('000), ₹ 25,647.54('000) 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 and Balance ₹ 2,257.23('000) Carries Interest @ 9.75% p.a and is secured against Fixed Deposit)		
TOTAL	27,904.77	15,128.79

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	8,248.22	4,703.17
Others	46,454.32	34,332.63
TOTAL	54,702.54	39,035.80

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

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

Particulars	As at 31 st March 2014	As at 31 st March 2013
The principal amount remaining unpaid at the end of the year.	8,248.22	4,703.17
The interest amount remaining unpaid at the end of the year.	78.98	45.20
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.	78.98	45.20
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.	78.98	45.20

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings from a Bank	4,273.57	4,691.72
Duties & Taxes	18,518.27	10,191.35
Other Current Liabilities	2,474.36	2,061.22
Advance Received from Customers	3,102.82	4,720.14
Payable to Employees	5,283.61	8,813.67
TOTAL	33,652.62	30,478.09
9. SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Gratuity	2,478.91	1,668.15
Leave Encashment	281.41	208.95
TOTAL	2,760.33	1,877.11

10. FIXED ASSETS

(₹ in '000)

Tangible Assets	Freehold Land & Building	Factory Building	Leasehold Land & Building	Plant & Machinery	Furniture & Fittings	Equipments	Vehicle	Computers	Total
GROSS BLOCK									
As at 1 st April, 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 31 st 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
Additions	-	-	-	3,884.13	352.21	1,860.27	-	48.70	6,145.31
Disposal	-	-	-	9,733.89	-	-	-	48.55	9,782.44
As at 31 st March, 2014	71,618.45	72,439.00	114,558.00	550,712.30	10,983.92	20,186.63	1,229.07	10,899.14	852,626.51
ACCUMULATED DEPRECIATION									
As at 1 st April, 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 31 st 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
Charge for the year	563.75	2,437.84	5.25	9,362.14	449.10	1,054.46	73.52	343.89	14,289.95
Disposal for the year	-	-	-	9,733.89	-	-	-	48.55	9,782.44
As at 31 st March, 2014	2,116.46	32,371.11	170.86	529,571.02	9,845.94	14,091.97	1,173.02	10,277.04	599,617.41
NET BLOCK									
As at 31 st March, 2013	70,065.74	42,505.74	114,392.40	26,619.29	1,234.86	5,288.85	129.58	917.29	261,153.74
As at 31 st March, 2014	69,501.99	40,067.90	114,387.14	21,141.28	1,137.97	6,094.66	56.06	622.10	253,009.10

(₹ in '000)

Intangible Assets	As at 31st March 2014
GROSS BLOCK	
As at 1 st April, 2012	911.32
Additions (transfer from computers)	570.00
Disposal	-
As at 31st March, 2013	1,481.32
Additions	-
Disposal	-
As at 31st March, 2014	1,481.32
ACCUMULATED DEPRECIATION	
As at 1 st April, 2012	630.56
Charge for the year	112.81
Disposal for the year	-
As at 31st March, 2013	743.37
Charge for the year	302.27
Disposal for the year	-
As at 31st March, 2014	1,045.64
NET BLOCK	
As at 31st March, 2013	737.95
As at 31st March, 2014	435.68

(₹ in '000)

Capital WIP - Net Block	Opening	Addition	Deduction	Total
As at 31 st March, 2013	9,163.59	7,165.55	(10,775.80)	5,553.35
As at 31 st March, 2014	5,553.35	407.13	(102.85)	5,857.62

Intangible Assets under Development - Net Block	Opening	Addition	Deduction	Total
As at 31 st March, 2013	-	21.00	-	21.00
As at 31 st March, 2014	21.00	-	-	21.00

11. DEFERRED TAX

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

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

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
NET DEFERRED TAX LIABILITY / (ASSETS)		
Deferred Tax Liability arising on account of:		
Difference between Book and Tax Depreciation	2,460.39	2,085.80
(A)	2,460.39	2,085.80
Deferred Tax Asset arising on account of:		
Business Loss & Expenses Disallowed under the Income Tax Act, 1961	25,922.20	17,995.72
(B)	25,922.20	17,995.72
Net Deferred Tax Liability / (Assets)	(A) - (B)	(15,909.92)
	(23,461.81)	(15,909.92)
12. LONG TERM LOANS AND ADVANCES		
Capital Advances:		
Unsecured, Considered Good	185.45	322.66
Security Deposits:		
(Unsecured, Considered Good)		
- With Public bodies	5,829.86	5,698.81
- With Others	5.00	5.00
Other Loans and Advances:		
MAT Credit Entitlement	2,868.00	2,812.52
TOTAL	8,888.31	8,838.99

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
13. CURRENT INVESTMENT		
Investments in Mutual Funds (Unquoted):		
JP Morgan India Liquid Fund - Direct Plan (54,386.783 Units, Face Value - ₹ 10.00 per unit, NAV of ₹ 10.0201 per unit P .Y. ₹ Nil)	544.96	-
JP Morgan India Liquid Fund - Super Inst (27,870.4652 Units, Face Value - ₹ 10.00 per unit, NAV of ₹ 10.0378 per unit P .Y. 4,20,730.4947 Units, Face Value - ₹ 10.00 per unit, NAV of ₹ 10.0079 per unit)	279.76	4,210.63
TOTAL	824.72	4,210.63
14. INVENTORIES		
Raw Materials	9,074.28	5,384.96
Work-in-Progress	8,062.82	14,340.03
Finished Goods	27,184.09	21,682.32
Stock-in-Trade (in respect of goods acquired for trading)	39,599.07	33,479.81
Stores and Spares, Consumables etc.	7,362.03	8,518.89
Loose Tools	292.21	163.31
TOTAL	91,574.50	83,569.33
15. TRADE RECEIVABLES		
Unsecured, Considered Good:		
Over Six Months - Considered Good	804.60	32,997.12
Over Six Months - Considered Doubtful	1,861.05	1,439.81
Less: Provision for Doubtful Debts	(1,861.05)	(1,439.81)
Others - Considered Good	121,965.19	51,083.04
TOTAL	122,769.79	84,080.16

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.

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents:		
Balances with Banks in Current Accounts	25,405.06	14,875.12
Cash on Hand	218.02	79.15
USD on Hand	56.76	-
Cheques on Hand	35.74	-
Deposits (Fixed Deposits with maturity less than 3 months)	2,732.96	2,500.00
Other Bank Balances:		
Deposits (Fixed Deposits with maturity more than 3 months but less than 12 months)	723.99	4,548.02
TOTAL	29,172.53	22,002.29
17. SHORT TERM LOANS AND ADVANCES		
Deposits:		
Unsecured, Considered Good		
- With Public Bodies	-	-
- With Others	165.76	103.82
Other Loans and Advances:		
Balance with statutory authorities	11,447.02	12,093.77
Advance to Suppliers/Creditors	1,670.21	863.31
Advance Income Tax (Net of Provision for Taxes)	5,333.18	3,810.43
Prepaid Expenses	4,286.35	2,858.97
Advances to Employees	771.27	622.85
Other Advances	8.87	33.89
TOTAL	23,682.67	20,387.04
18. OTHER CURRENT ASSETS		
Accrued Interest Receivable	524.57	535.35
Other Recoverables	-	26.52
TOTAL	524.57	561.86

(₹ in '000)

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
19. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	511,872.13	442,421.99
Sale of Services	14,873.22	9,463.23
Other Operating Revenues	851.95	381.58
TOTAL	527,597.30	452,266.80
20. OTHER INCOME		
Interest Income	1,059.48	1,058.97
Exchange Rate Fluctuation Income	1,524.39	7.71
Dividend Income from Mutual Fund	114.09	660.63
Provision for Doubtful Debts Writtren Back	-	1,143.86
Insurance Claim Income	1,082.66	-
Net Gain on Sale of Fixed Assets	308.34	-
Spares Sales	898.63	781.78
Other Non-Operating Income	1,148.89	1,122.74
TOTAL	6,136.47	4,775.71
21. COST OF MATERIAL CONSUMED		
Opening Stocks	5,384.96	5,570.10
Add: Purchases	47,681.24	44,865.68
	53,066.20	50,435.78
Less: Closing Stocks	(9,074.28)	(5,384.96)
TOTAL	43,991.92	45,050.82
22. PURCHASES OF STOCK-IN-TRADE		
Ferrite	129,870.92	111,813.15
TOTAL	129,870.92	111,813.15

(₹ in '000)

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
23. CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stocks At the End		
Finished Goods	27,184.09	21,682.32
Stock-in-Trade	39,599.07	33,479.81
Work-in-Progress	8,062.82	14,340.03
	(A)	69,502.16
Stocks At the Beginning		
Finished Goods	21,682.32	25,055.92
Stock-in-Trade	33,479.81	27,261.05
Work-in-Progress	14,340.03	11,143.82
	(B)	63,460.78
TOTAL	(B) - (A)	(6,041.38)
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	109,145.84	98,049.76
Contribution to Provident and Other Funds	12,297.53	11,087.04
Contribution to Gratuity Fund and Leave Encashment	2,481.79	3,430.50
Staff Welfare Expenses	3,426.66	3,137.44
TOTAL	127,351.82	115,704.75
25. FINANCE COSTS		
Interest Expense	6,111.76	2,857.97
Other Borrowing Costs	1,573.66	1,151.89
TOTAL	7,685.43	4,009.87
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation for the Year	14,592.22	15,516.75
Less: Transfer from Revaluation Reserve	(613.72)	(613.72)
Less: Transfer to Prior Period Item	-	(160.13)
TOTAL	13,978.50	14,742.90

(₹ in '000)

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
27. OTHER EXPENSES		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	39,004.44	35,830.68
Job Work Charges	11,222.52	8,916.84
Power and Fuel	71,051.62	71,543.29
Rent, Rates, Taxes and Water Charges	5,413.24	3,911.09
Repairs and Maintenance:		
- Plant & Machinery	4,059.24	4,240.97
- Building	713.85	626.30
- Others	1,032.85	1,166.27
Excise Duty variation on Opening / Closing Stock	153.36	757.56
Insurance Charges	2,789.88	2,378.37
Travelling Expenses including foreign travelling	8,308.01	7,701.79
Freight, vehicle & distribution Charges	3,499.01	3,398.89
Bad Debts	1,230.93	546.13
Advertisement, publicity and selling expenses	3,712.52	5,222.52
Loss on Sale of Fixed Assets	-	135.85
Net Loss/(Gain) on foreign Exchange	2,410.40	-
Loss by flood	64.49	-
Excise Duty Paid in excise case	2,098.98	-
Sundry Balance Written Off	56.01	250.24
Miscellaneous Expenses	14,227.58	12,827.96
Payment to Auditors:		
- For Audit Fees	1,862.52	1,635.91
- For Taxation Matters	282.17	231.86
- For Company Law Matters	97.00	-
- For Other Services	26.68	73.09
- For Reimbursement of Expenses	0.82	7.81
	2,269.18	1,948.67
Legal & Professional Fees	4,913.84	2,898.63
TOTAL	178,231.95	164,302.05

28. NOTES TO THE FINANCIAL STATEMENTS

A. 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.

B. Contingent Liabilities And Capital 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)

- i. Disputed (net) demands for Income Tax pending with various Appellate authorities ₹ 2,347.73('000) (Previous year ₹ 2,347.73('000)).
- ii. Disputed Excise Demands ₹ Nil ('000) (Previous year ₹ 2,546.69 ('000))
- iii. Disputed ESIC Demands ₹ 89.69 ('000) (Previous year ₹ 89.69 ('000))
- iv. Disputed (net) demands for Sales Tax (CST) ₹ 224.82 ('000) (Previous year ₹ 285.24 ('000))
- v. Sales Tax Liability (On account of pending 'C' forms) ₹ 8,988.29 ('000) (Previous year ₹ 3,224.23 ('000))

Capital Commitments:

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
Estimated amounts of Capital Expenditure Commitments	39,902.01	546.09

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

Name of the Subsidiaries	Country of Incorporation	% of Voting Right As at 31 st March	
		2014	2013
MagDev Limited (From 30.06.2010)	UK	100.00	100.00
MMG India Private Limited (From 30.06.2010)	India	100.00	100.00

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 Disclosures' 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) Key Management Personnels:

- Capt. R Barick - Whole-Time Director (up to 30th September, 2012)
- Dr. Ram H. Shroff - Managing Director

(ii) 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
- Ms. Anjali Mody (AM) - Daughter of Chairman
- Mrs. Urvi Piralal (UP) - Sister of Chairman
- Dr. Ram H. Shroff - Executive Vice Chairman & Managing Director

(iii) Enterprises over which Key Management Personnel/Individual or their Relatives mentioned in (ii) or (iii) 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 (ATCPL)
- Delta Corp Ltd (DCL)
- SSI Trading Private Limited (SSI)
- AAA Holding Trust (AAAHT)
- Skarma (SK)

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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Remuneration Paid						
Capt. R Barick	-	3,658.37	-	-	-	3,658.37
Sub Total	-	3,658.37	-	-	-	3,658.37
Director Sitting Fees						
J M	6.00	4.00	-	-	6.00	4.00
U P	4.00	10.00	-	-	4.00	10.00
Sub-Total	10.00	14.00	-	-	10.00	14.00
Rent Paid						
A A A H T	-	-	576.00	-	576.00	-
Sub-Total	-	-	576.00	-	576.00	-
Issue of Equity Shares with Sec. Premium						
S S I	-	-	-	34,079.69	-	34,079.69
Sub Total	-	-	-	34,079.69	-	34,079.69
Professional Fees Paid						
A Z B	-	-	96.95	91.29	96.95	91.29
F R L	-	-	51.94	54.37	51.94	54.37
S K	-	-	90.00	-	90.00	-
Sub-Total	-	-	238.89	145.66	238.89	145.66
Sharing of Resources #						
D C L	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-

Particulars	Key Management Personnel / Individual owing directly or indirectly interest in voting power		Enterprises Over which individual / Key Management Personnel Exercise Significant Influence		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Loan Received						
A A M P L	-	-	1,000.00	-	1,000.00	-
A D M P L	-	-	1,000.00	-	1,000.00	-
A T C P L	-	-	1,000.00	-	1,000.00	-
Sub-Total	-	-	3,000.00	-	3,000.00	-
Repayment of Loan						
A A M P L	-	-	1,000.00	24,000.00	1,000.00	24,000.00
A D M P L	-	-	1,000.00	-	1,000.00	-
A T C P L	-	-	1,000.00	-	1,000.00	-
Sub-Total	-	-	3,000.00	24,000.00	3,000.00	24,000.00
Outstanding as on 31st March						
Loan Payable						
A A M P L	-	-	19,875.00	19,875.00	19,875.00	19,875.00
A D M P L	-	-	43,000.00	43,000.00	43,000.00	43,000.00
A T C P L	-	-	43,000.00	43,000.00	43,000.00	43,000.00
Sub-Total	-	-	105,875.00	105,875.00	105,875.00	105,875.00
Expenses Payable						
F R L	-	-	23.58	12.14	23.58	12.14
A A A H T	-	-	581.48	-	581.48	-
Sub-Total	-	-	605.06	12.14	605.06	12.14

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, 2014 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)		(Unfunded)	
		2013-14	2012-13	2013-14	2012-13
1	Assumptions :				
	Discount Rate	9.07%	8.25%	9.07%	8.25%
	Salary Escalation	10.00%	5.00%	10.00%	5.00%
2	Changes in Present Value of Obligations:				
	Present value of obligations as at beginning of year	20,928.08	18,013.88	2,783.83	2,920.60
	Interest Cost	1,697.28	714.10	225.59	109.00
	Current Service Cost	1,172.60	2,182.41	508.68	426.66
	Benefit Paid	(288.87)	(487.18)	(446.24)	(402.58)
	Actuarial (Gain) / Loss on obligations	(76.93)	504.87	(318.78)	(269.85)
	Present value of obligations as at end of year	23,432.16	20,928.08	2,753.08	2,783.83
3	Amount recognized in the Balance Sheet :				
	Liability at the end of the year	23,432.16	20,928.08	2,753.08	2,783.83
	Fair value of Plant Assets at the end of the year	10,378.01	9,324.73	-	-
	Difference	(13,054.15)	(11,603.35)	(2,753.08)	(2,783.83)
	Amount recognized in the Balance Sheet	(13,054.15)	(11,603.35)	(2,753.08)	(2,783.83)
4	Expenses recognized in the Statement of Profit and Loss:				
	Current Service Cost	1,172.60	2,182.41	508.68	426.66
	Interest Cost	1,697.28	714.10	225.59	109.00
	Expected return on Plan assets	(823.65)	(398.66)	-	-
	Actuarial (Gain) or Loss	20.07	(172.57)	(318.79)	(269.85)
	Expenses recognized in the Statement of Profit and Loss	2,066.31	2,325.28	415.48	265.81
5	Balance Sheet Reconciliation :				
	Opening Net Liability	11,603.35	9,910.41	2,783.83	2,920.60
	Expenses as above	2,066.31	2,325.28	415.48	265.81
	Employer's Contribution	(465.98)	(632.34)	(187.52)	(402.58)
	Benefit Paid	(149.54)	-	(258.72)	-
	Closing Net Liability	13,054.14	11,603.35	2,753.07	2,783.83

(₹ in '000)

Particular	2013-14	2012-13
Contribution to Provident Fund	3,771.75	3,759.79
Contribution to ESIC	575.81	572.99

G. Earnings Per Share

(₹ in '000) (Unless Specified)

Particular	2013-14	2012-13
Net Profit/(Loss) After Tax	23,196.08	(12,650.03)
Weighted Average Number of Equity Shares	6,073,663	5,718,130
Basic & Diluted Earnings Per Share (₹)	3.82	(2.21)
Nominal Value Per Equity Share (₹)	10	10

H. Operating Lease Expenses Disclosure:

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

(₹ in '000)

Particular	2013-14	2012-13
Lease Rent Paid During the Year	3,159.00	2,065.23
TOTAL	3,159.00	2,065.23

The future minimum lease expense is as under:

(₹ in '000)

Particular	2013-14	2012-13
Up to 1 Year	2,440.55	1,238.40
1 Year to 5 Year	2,695.95	247.68
Above 5 Year	-	-
TOTAL	5,136.50	1,486.08

- I. 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.

J. MAT Credit Entitlement

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

- K. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2012 and 23st 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 Piramal
Director

Mahesh Gupta
Director

Rajesh Jaggi
Director

Darius Khambatta
Director

Ambika Kothari
Director

Javed Tapia
Director

Vrajesh Udani
Director

Mumbai: 28th May, 2014

Snehal Oak
Company Secretary



CIN: L32109MH1982PLC028280

Registered Office: B – 87, MIDC, Ambad, Nashik – 422 010, Maharashtra.

Email ID : secretarial@deltamagnets.com, Website : www.deltamagnets.com

Tel No : 91-0253-2382238, Fax No : 92-0253-2382926

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID No.*	L. F. No.Client ID No.*	No. of shares held
------------	-------------------------	--------------------

NAME OF THE SHAREHOLDER: _____

NAME OF THE PROXY : _____

I hereby record my/our presence at the **32nd ANNUAL GENERAL MEETING** of the Company held on Thursday, September 25, 2014 at 2.00 p.m.at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik - 422 010, Maharashtra.

Signature of the Shareholder/Proxy : _____

(Only shareholders/proxies are allowed to attend the meeting)





CIN: L32109MH1982PLC028280

Registered Office: B – 87, MIDC, Ambad, Nashik – 422 010, Maharashtra.

Email ID : secretarial@deltamagnets.com, Website : www.deltamagnets.com

Tel No : 91-0253-2382238, Fax No : 92-0253-2382926

PROXY FORM

(Form No. MGT - 11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered address : _____

E-mail ID: _____ Folio No./client ID: _____ DP ID: _____

I / We being the member(s) of _____ shares of Delta Magnets Limited, hereby appoint

1) Name _____
Address _____
having email id _____ or failing him

2) Name _____
Address _____
having email id _____ or failing him

3) Name _____
Address _____
having email id _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd ANNUAL GENERAL MEETING of the Company to be held on Thursday, September 25, 2014 at 2.00 p.m. at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Subject Matter of the Resolution	Vote		
		For	Against	Abstain
1	Adoption of the financial statements and reports thereon for the year ended March 31, 2014			
2	Re-appointment of Mr. Jaydev Mody as Director			
3	Not to fill in the vacancy caused by the retirement by rotation of Ms. Urvi Piramal, who has not sought re-appointment			
4	Re-Appointment of M/s. Amit Desai & Co., Chartered Accountant as Statutory Auditor of the Company			
5	Appointment of Mr. Samir Chinai as an Independent Director			
6	Change in terms of appointment of Dr. Ram H. Shroff, Managing Director of the Company			
7	Appointment of Dr. Vrajesh Udani as an Independent Director			
8	Appointment of Mr. Rajesh Jaggi as an Independent Director			
9	Appointment of Mr. Javed Tapia as an Independent Director			
10	Approval for payment of remuneration to M/s. DBK & Associates, Cost Auditors of the Company			

Signed this _____ day of _____ 2014

Affix
Revenue
Stamp

Signature of shareholder across Revenue Stamp

.....
Signature of first proxy holder

.....
Signature of second proxy holder

.....
Signature of third proxy holder

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstained column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting right, than such proxy shall not act as a proxy for any other person or Member.
4. A Proxy need not be a member of the Company.

If Undelivered, please return to:

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