
Annual Report

2010-11

THE BOARD OF DIRECTORS

Mr. Jaydev Mody Chairman
Ms. Urvi Piramal
Capt. Ratnakar Barick Whole-Time Director
Mr. Javed Tapia
Mr. Mahesh Gupta
Mr. Rajesh Jaggi
Ms. Ambika Kothari
Dr. Vrajesh Udani
Mr. Ram Shroff

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
Facsimile : (0253) 2351126
e-mail : amtrac_nsk@sancharnet.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 29th Annual General Meeting of Members of Delta Magnets Limited will be held on Thursday, 29th September, 2011 at 2.30 p.m. at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Urvi Piramal, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Mahesh Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration.

Special Business:

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

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

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to the approval of such authorities as may be required, the consent of the members of the Company be and is hereby accorded for re-appointment of Capt. Ratnakar Barick as Whole-Time Director of the Company for a period of 3 years commencing from 23rd October, 2011 and ending on 22nd October, 2014 on the terms and conditions stated hereunder and also set out in the letter of re-appointment issued by the Company, with powers to the Board of Directors (which term shall be deemed to include any “committee” thereof) to alter, amend, vary and modify the terms and conditions of the said appointment/re-appointment and remuneration payable from time to time as it deems fit in such manner as may be mutually agreed upon:

Terms and Conditions:

1. Salary:

Basic Salary of ₹ 1,90,000/- per month

*With authority to the Board of Directors of the Company (which term shall also include any Committee thereof) to grant suitable increment in accordance with the provisions of the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956.

2. Allowances:

- (i) House Rent Allowance of ₹ 47,366/- per month.
- (ii) Special Allowance as per the rules of the Company, presently ₹ 75,000/- per month.

3. Perquisites:

- Reimbursement of medical expenses incurred by Capt. Ratnakar Barick and his family on an actual basis subject to maximum of ₹ 1,00,000/- per annum.
- Leave Travel Allowance of ₹ 1,00,000/- per annum subject to the provisions of the Income Tax Rules.

- Use of Company's Car and Mobile Phone for business use and payment of Driver's salary of ₹ 6,500/- per month.
- Commission of ₹ 5,00,000/- per annum payable as per the Company's policy.
- Payment of Provident Fund, Gratuity etc. as per the rules and regulations of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized at its discretion from time to time to increase/vary/ modify and amend the actual remuneration, perquisites and other terms and Conditions of re-appointment and remuneration of Capt. Ratnakar Barick, provided such increase/variation/ modification and amendment is in conformity with the applicable provisions of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to take all such steps and actions and give such directions, delegate such authorities, as it may in its absolute discretion deem appropriate."

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. Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 is annexed to this notice.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Ms. Urvi Piramal and Mr. Mahesh Gupta, Directors,

retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.

5. Brief resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships an memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached as Annexure to this notice.
6. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26th September, 2011 to Thursday, 29th September, 2011 (both days inclusive), for determining the eligibility for payment of dividend, if declared at the meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address, email ID or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Company's Share Transfer Agent (STA).
10. Non-Resident Indian Members are requested to inform STA of the Company, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
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. Section 109A of the Companies Act, 1956, permits nomination by shareholders of the Company in prescribed Form No. 2B. Shareholders are requested to avail this facility. The duly filled in and signed Form No.2B should be sent to the STA of the Company at their Nasik address.
13. In order to render better and efficient services, we request you to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the STA of the Company at their Nasik address.
14. The Company, consequent upon the introduction of the Depository System (DS), entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. In view of the numerous advantages offered by the Depository System, members holding shares of the Company in physical form are requested to avail of the facility of dematerialization.
15. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address/stay in abroad or demise of any shareholder as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. 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.
17. The Ministry of Corporate Affairs (MCA), has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members of the Company are requested to support this green initiative by registering / updating their email addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with STA of the Company M/s. Freedom Registry Limited.

By Order of the Board of Directors,

**SNEHAL OAK
Company Secretary**

Mumbai, 1st August, 2011.

Registered Office:

B-87, M.I.D.C.,
Ambad, Nasik-422 010, Maharashtra.

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

Item No. 5

The Board of Directors appointed Mr. Ram Shroff, as an Additional Director of the Company with effect from 1st August, 2011 at their Meeting held on 1st August, 2011.

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

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

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

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

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

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

Item No. 6

Remuneration Committee has approved re-appointment and terms and conditions of remuneration of Capt. Ratnakar Barick, Whole Time Director of the Company on 01.08.2011. The Board of Directors approved re-appointment and the terms and conditions of revision in remuneration of Capt. Ratnakar Barick, Whole Time Director of the Company with effect from 23rd October, 2011.

ADDITIONAL INFORMATION IN TERMS OF SUB CLAUSE (iv) OF THE PROVISO TO SUB-PARAGRAPH (B) OF PARAGRAPH (1) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS FURNISHED BELOW:

I. GENERAL INFORMATION:

1. NATURE OF INDUSTRY:

Delta Magnets Limited is engaged in the business of Hard Ferrite Permagnet Magnet used in the consumer electronic industry and auto industry.

2. DATE OR EXPECTED DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION:

15th September 1985

3. IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY FINANCIAL INSTITUTIONS APPEARING IN THE PROSPECTUS:

Not Applicable.

4. FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.03.2011:

(₹ in '000)

Particulars	Year ended 31.03.2011
Income for the year	1,25,940.95
Profit before Interest, Depreciation and Tax	19,088.01
Finance Charges	(751.51)
Profit before Depreciation and Taxes	19,839.51
Depreciation	11,213.81
Provisions for Taxation/ Deferred Tax	
MAT Tax	(1,646.21)
Deferred Tax Assets	1,500.00
Prior Period Items / Extra Ordinary Items	(103.69)
Net Profit/(Loss) for the Current Year	8,375.80
Earlier Years Balance Brought forward	(87,759.29)
Balance carried to Balance Sheet	(79,383.49)

5A. EXPORT PERFORMANCE AND FOREIGN EXCHANGE EARNED: (FOR F.Y. 2010-11) :

Nil

B. FOREIGN EXCHANGE OUTGO:

₹ 1643.54 Lacs

6. FOREIGN INVESTMENTS OR COLLABORATIONS, IF ANY:

₹ 139794.65 thousand.

II. INFORMATION ABOUT THE APPOINTEE:

1. BACKGROUND DETAILS, JOB PROFILE AND SUITABILITY

Capt. Ratnakar. Barick aged 64 years, has done B.E. (Electrical) and he has also done professional courses like Advance Electrical and Electronics Engineering for 2 years from Naval Electrical School and Advance Marine Equipment Training for one year at Russian Naval Training Institute. Capt Ratnakar Barick has worked in various capacities in a large number of Naval Ships and Establishments notable ones being:

- Submarine rescue ship
- Modern Russian Destroyer
- Hybrid Frigate built by Mazagon Dock Naval Dockyard, Mumbai
- Naval Dockyard, Visakhapatnam
- Naval Electrical Training College, Jamnagar as head of training.

He was the General Manager (Works) of a medium sized process plant and also the Vice-President (Operations) of Peerless Fabrikernne (India) a 100% EOU from 1996 till 1999.

2. PAST REMUNERATION:

As per previous approval of Central Government dated 31st May, 2011, the Company has paid remuneration to Capt. Ratnakar Barick not exceeding ₹ 34,06,957/- per anum.

3. RECOGNITION & AWARDS:

- He received for two times, Commendation by Flag Officer, Commanding Western Naval Command, Indian Navy.

- He received Medals for participating in 1971 war.

4. JOB PROFILE AND HIS SUITABILITY:

Capt. Ratnakar Barick has more than 40 years of enriched experience in the field of engineering. The Board of Directors is of the opinion that Capt. Ratnakar Barick experience will be of immense use to the Company to achieve growth in future. He shall be responsible for the management of the affairs of the Company.

5. REMUNERATION PROPOSED FOR THE YEAR 2011-12:

As per details given in the Special Resolution of the Notice

6. COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON (IN CASE OF EXPATRIATES THE RELEVANT DETAILS WOULD BE WITH RESPECT TO THE COUNTRY OF HIS ORIGIN):

Looking into his qualification, experience and expertise in the Industry, the Board of Directors of the Company decided to revise remuneration of Capt. Ratnakar Barick, Whole Time Director. The remuneration paid to Capt. Ratnakar Barick is reasonable considering the trends in the Industry.

7. PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY:

Capt. Ratnakar Barick has no other relationship with the Company or with the Managerial personnel, except the remuneration being paid to him as Whole-Time Director of the Company.

III. OTHER INFORMATION:

1. REASONS FOR LOSS OR INADEQUACY OF PROFITS:

The Company abandoned the business of loud speaker ring magnets, which used to be the main product line till March 06, due to stiff competition from China and started production of sector magnets for auto industry from April 06 onwards.

Considering this rebirth of the Company, the growth so far has been remarkable. In order to meet the increased market demand the Company has been enhancing its production capacity by converting its ring manufacturing facilities to that of segment manufacturing.

Further the demand for magnets has picked up in the last year. Two wheelers sales have been galloping on a fast track over the last several months and have contributed to the growth of overall vehicle sales in the domestic market. Though sales have been growing across all segments, the growth momentum has been particularly robust in the motorcycle and scooter segment.

The change in the line of business coupled with rising demand for the products of the Company resulted into Company making a turnaround in its performance and profitability. This can be seen from the performance of the Company for last three years, as during the financial year 2008-09 Net Profit after Tax of the Company was ₹ (12,601.59/-) thousands as against this Net Profit after Tax of the Company for the financial year 2009-10 was ₹ 1309.49/- thousands. As compared to these two financial years Company has made profit of ₹ 8,375.81 thousands.

2. STEPS TAKEN BY THE COMPANY TO IMPROVE PERFORMANCE:

The Company has taken following steps for improvements:

- a) Reduction in fixed cost
- b) Upgradation of the Plant, keeping in mind the trends in Automobile Industry.
- c) Aggressive Marketing to capture sizable Shares in Auto Industry.
- d) New product development to cater the needs of fast growing Auto Industry.

- e) Concentrating on the Export Market.
- f) Enhancing production facilities.
- g) Acquisition of Company having similar business in India and abroad.

3. EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS:

With the above mentioned steps taken by the Company and with revival of the economies in America and Europe, the Company will be able to improve its sales and profit. Increased production capacity is expected to increase turnover of the Company.

IV. DISCLOSURES:

REMUNERATION PACKAGE:

Remuneration package as mentioned in the Special Resolution.

None of the Directors of the Company, except Capt. Ratnakar Barick, himself, is concerned or interested in the resolution except to the extent of their shareholding.

The Board recommends the above Special Resolution for the approval by the Members.

The contents of the aforesaid explanatory statement shall be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors,

SNEHAL OAK
Company Secretary

Mumbai, 1st August, 2011.

Registered Office:
B-87, M.I.D.C.,
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
Ms. Urvi Piramal

Date of Birth
19th July, 1952

Date of Appointment
22nd January, 1997

Qualification

Bachelor of Science

Profile and Expertise

Ms. Urvi A. Piramal is 58 years of age, oversees a professionally managed business group in India with business interest in real estate, textiles, engineering, entertainment and sports. She has a Bachelor of Science degree and has attended the Advanced Management Program at Harvard Business School.

Ms. Piramal has been a member of Technology and Quality Improvement Committee of the Indian Merchants' Chamber since its inception in 1994, and also the Chairperson of Supply Chain and Retail Business (Internal Trade) Committee (2004-2005). 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 across the Group. 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. She also has to her credit the Cheminor Award from the Indian Institute of Materials Management.

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

Ashok Piramal Management Corporation Limited
Peninsula Land Limited
Just Textiles Limited
Morarjee Textiles Limited
Peninsula Trustee Limited
Pune Football Club Limited
L and T Crossroads Private Limited
Ashok Piramal Enterprises Private Limited

Goldlife Mercantile Company Private Limited
Highpoint Agro Star Private Limited
Jammin Recreation Private Limited
Lifestar Hospitality Private Limited
Lifezone Mercantile Private Limited
Miranda Few Tools Private Limited
Omega Multitrade Private Limited
Onestar Trading Company Private Limited
APG Educational Consultants Private Limited (Formerly known as Oneup Mercantile Company Private Limited)
Piramyd Retail and Merchandising Private Limited
PMP Auto Components Private Limited
Supertime Trading Private Limited
Topstar Mercantile Private Limited
Toptech Mercantile Company Private Limited
Piramal Energy Private Limited
Piramal Renewable Energy Private Limited
AGP Infra Private Limited
AGP Educational and Academy Private Limited
APG Transformers and Energy Private Limited
APG Renewable Energy Private Limited
APG Infra Projects Private Limited
APG Infrastructure Private Limited
APG Ports Infrastructure Private Limited
APG Roads Infrastructure Private Limited
APG Airports Infrastructure Private Limited
APG Constructions and Infra Private Limited
APG Road and Rail Transports Private Limited
Piramal Education and Academy Private Limited
Piramal Transportation Private Limited
Piramal Infrastructure Private Limited
Piramal Roads Infra Private Limited
Piramal Airports Infrastructure Private Limited
Piramal Constructions and Infra Private Limited
Piramal Ports Infrastructure Private Limited
Piramal Road and Rail Transports Private Limited
Edustar Learning Private Limited
CAMS Learning Private Limited
Bridgepoint Learning Private Limited
Ashok Piramal Overseas Investment Company Private Limited
W P Organisation

ii) Chairperson of Board Committees

Nil

iii) Member of Board Committees

Peninsula Land Limited-Remuneration Committee and Investors Grievance Committee
Morarjee Textiles Limited-Remuneration Committee



Name of Director
Mr. Mahesh Gupta

Date of Birth
30th June, 1956

Date of Appointment
29th September, 2008

Qualification

B.Com; L.L.B (Gen)., C.A., C.S.

Profile and Expertise

Mr. Mahesh S. Gupta, 54 years of age has an Honours Degree in B.Com; L.L.B (Gen). Fellow Member of The Institute of Chartered Accountants and The Institute of Company Secretaries of India. He had an outstanding academic record and rank holder and a Silver Medalist in Company Secretaries Final examination.

Mr. Gupta has received a number of recognitions for his business and professional acumen. He was awarded the CFO of the Year Award, 2001, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA (formerly known as EIU), New Delhi. He is on the Board of several Public Listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, Ceat Limited, RPG Life Sciences 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.

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

Mr. Mahesh Gupta holds 104 Equity Shares of the Company as a second holder.

Directorship and Committee memberships (Excluding Delta Magnets Limited)

i) Directorships held in other Companies

- Ashok Piramal Management Corporation Limited
- City Parks Private Limited
- Delta Corp Limited
- Ceat Limited
- Just Textiles Limited
- Morarjee Textiles Limited
- Peninsula Holdings and Investments Private Limited (Formerly known as Boom Realty Private Limited)
- Peninsula Investment Management Company Limited
- Peninsula Land Limited

- Peninsula Pharma Research Centre Private Limited
- Renato Finance and Investments Private Limited
- RPG Life Sciences Limited
- Peninsula Real Estate Management Private Limited
- Topvalue Brokers Private Limited
- Morarjee Castiglioni (India) Private Limited
- West Star Agro-Realties Private Limited
- Bridgepoint Learning Private Limited
- Edustar Learning Private Limited
- CAMS Learning Private Limited
- AGP Education and Academy Private Limited
- AGP Infra Private Limited
- APG Airports Infrastructure Private Limited
- APG Constructions and Infra Private Limited
- APG Educational Consultants Private Limited
- APG Infra Projects Private Limited
- APG Infrastructure Private Limited
- APG Ports Infrastructure Private Limited
- APG Renewable Energy Private Limited
- APG Road and Rail Transports Private Limited
- APG Roads Infrastructure Private Limited
- APG Transformers and Energy Private Limited
- Piramal Airports Infrastructure Private Limited
- Piramal Constructions and Infra Private Limited
- Piramal Education and Academy Private limited
- Piramal Energy Private Limited
- Piramal Infrastructure Private Limited
- Piramal Ports Infrastructure Private Limited
- Piramal Renewable Energy Private Limited
- Piramal Road and Rail Transports Private Limited
- Piramal Roads Infra Private Limited
- Piramal Transportation Private Limited
- Valecha LM Toll Private Limited
- PMP Components (Mauritius) Limited

ii) Chairman of Board Committees

- Delta Corp Limited-Audit Committee and Compensation Committee
- RPG Life Sciences Limited- Shareholders and Investors Grievance Committee
- Ceat Limited-Shareholders/Investors Grievance Committee

iii) Member of Board Committees

- Just Textiles Limited-Audit Committee
- Morarjee Textiles Limited-Investors Grievance Committee
- Peninsula Investment Management Company Limited-Audit Committee
- RPG Life Sciences Limited-Audit Committee
- Ceat Limited-Audit Committee



Name of Director

Mr. Ram Shroff

Date of Birth

28th August, 1971

Date of Appointment

1st August, 2011

Qualification

Qualified Medical Doctor

Profile and Expertise

Mr. Ram H. Shroff, 40 years of age, is a qualified medical doctor. Mr. Shroff has an experience of more than 12 years in Charak Pharma where is a Director and in charge of sales and marketing.

Mr. Shroff has also initiated Charak Pharma's international presence. Charak is now available in more than 45 countries around the world.

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

Mr. Shroff also participated in several local and international medical conferences impressing the need of alternative medicines in the treatment of patients.

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

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

Mr. Ram Shroff holds 2100 Equity Shares of the Company.

Directorship and Committee memberships (Excluding Delta Magnets Limited)

i) Directorships held in other Companies

Charak Pharma Private Limited
Ayurmedica Trading Company (India) Private Limited
Crème –De-La-Crème Private Limited
Stride Horse Racing Private Limited
Iss Trading Private Limited
Digi Med Network Private Limited
RWITC Limited

ii) Chairman of Board Committees

Nil

iii) Member of Board Committees

Nil

DIRECTORS' REPORT

Your Directors are pleased to present their 29th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2011.

Financial Highlights

(₹ In '000)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Income for the year	1,25,940.95	99,460.91
Profit before Interest, Depreciation and Tax	19,088.01	10,136.18
Finance Charges	(751.51)	(1,648.70)
Depreciation	11,213.81	13,633.05
Provisions for Taxation/ Deferred Tax (Net)	(146.21)	3321.00
Prior Period Items / Extra Ordinary Items	(103.69)	(163.34)
Net Profit/ Loss for the Current Year	8,375.80	1,309.49
Earlier Years Balance Brought forward	(87,759.29)	(89,068.78)
Balance carried to Balance Sheet	(79,383.49)	(87,759.29)

DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended 31st March, 2011.

OPERATIONS

During the year under review, your Company recorded a total income of ₹ 1,25,940.95/-Thousands and Net Profit of ₹ 8375.80/- Thousands. For further information, kindly refer to Management Discussion and Analysis Report, forming part of this Annual report.

GROUP FOR INTER SE TRANSFER OF SHARES

As required under Clause 3(1)(e)(i) of the Securities & Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations,1997 (Takeover Regulations), persons constituting group (within the meaning of group defined in Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of claiming

exemption from applicability of the provisions of Regulations 10 and 12 of the Takeover Regulations, are given in Annexure A to this Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, 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 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 the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS

The Board of Directors of the Company appointed Mr. Ram Shroff as an Additional Director of the Company

w.e.f. 1st August, 2011 in accordance with Section 260 of the Companies Act, 1956, and Articles of Association of the Company. Mr. Ram Shroff holds office as an Additional Director upto the date of the ensuing Annual General Meeting.

At the ensuing Annual General Meeting Ms. Urvi Piramal and Mr. Mahesh Gupta will retire by rotation, and being eligible, offer themselves for re-appointment in terms of provisions of Articles of Association of the Company.

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.

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 March 31, 2011, 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, 2011 and of the profit 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, 2011 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 re-appointment of M/s. Amit Desai & Co., Chartered Accountants as Statutory Auditors of the Company, who retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment. M/s. Amit Desai & Co. has given their consent to act as 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, 2011 are self explanatory in nature and do not require any explanation as per the provisions of Section 217(3) of the Companies Act, 1956.

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, 1st August, 2011

Registered Office:

B-87, M.I.D.C.,
Nasik-422 010,
Maharashtra.

ANNEXURE A

The following are the persons constituting group (within the meaning of group defined in Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of claiming exemption from applicability of the provisions of Regulations 10 and 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Jaydev Mukund Mody	Delta Leisure and Entertainment Private Limited
Zia Jaydev Mody	Delta Lifestyle and Entertainment Private Limited
Aarti Jaydev Mody	Delta Offshore Developers Limited
Aditi Jaydev Mody	Delta Pan Africa Limited
Anjali Jaydev Mody	Delta Real Estate and Consultancy Private Limited
AAA Holding Trust	Delta Square Limited
Aarti J Mody Trust	Elixir Infotech Private Limited
Aditi J Mody Trust	Freedom Aviation Private Limited
Anjali J Mody Trust	Freedom Charter Services Private Limited
AAA Real Land Developers Private Limited	Freedom Registry Limited
Aarti Management Consultancy Private Limited	Goodluck Renewable Energy Resources Private Limited
Aditi Management Consultancy Private Limited	Highland Resorts Private Limited
Alibagh Farming and Agriculturist Company Private Limited	Highstreet Cruises & Entertainment Private Limited
Anjoss Trading Private Limited	Intertrade Mercantile Company Private Limited
Arrow Textiles Limited	J M Holding (USA) Inc.
Aryanish Finance and Investments Private Limited	J M Holdings Limited, Dubai (UAE)
Bayside Property Developers Private Limited	J M Livestock Private Limited
Caravela Casino Goa Private Limited	Jayem Properties Private Limited
Champs Elysee Enterprises Private Limited	MMG India Private Limited
Coastal Sports Ventures Private Limited	MMG Magdev Limited, UK
Dacapo Brokerage India Private Limited	Newplaza Multitrade Private Limited
Delta Adventures and Entertainment Private Limited	Outreach Mercantile Company Private Limited
Delta Corp Limited	Providence Education Institute Private Limited
Delta Corp East Africa Limited	Providence Educational Academy Private Limited
Delta Holding (USA) Inc.	Richtime Realty Private Limited
Delta Hospitality and Entertainment Private Limited	Royal Touch Real Estates Private Limited
Delta Hospitality and Leisure Private Limited	Victor Hotels and Motels Limited
Delta Land Developers Limited	

ANNEXURE B

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, 2011.

A : CONSERVATION OF ENERGY

a) Energy conservation measures taken :

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

The following energy conservation methods were implemented during the year:

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

b) Additional investments:

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

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

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

As per Form A

B : TECHNOLOGY ABSORPTION

As per Form B

FORM - A

Disclosure of particulars with respect to conservation of energy

	2010-2011	2009-2010
A. Power and Fuel consumption:		
1. Electricity:		
a. Purchased		
Unit: ('000 KWH)	2821.94	2688.58
Total Amount (₹ in lacs)	144.69	128.18
Rate / per unit (KWH)	5.13	4.78
b. Own Generation		
(i) Through diesel generator	Nil	Nil
(ii) Through steam turbine/generator	Nil	Nil
2. LPG:		
Purchased		
Unit: ('000 Kg)	496.69	506.55
Total Amount (₹ in lacs)	210.28	176.37
Rate / per unit (Kg)	42.17	34.82
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 -	2314	3067
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 -	409	578

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 –

		2010-11	2009-10
a) Capital	:	₹ 22.47 Lac p.a	₹ 4.67 Lac p.a.
b) Recurring	:	₹ 2.35 Lac p.a.	₹ 9.56 Lac p.a.
c) Total	:	₹ 24.82 Lac p.a.	₹ 14.23 Lac p.a.
d) R & D expenditure as % to total turnover	:	1.99%	1.53%

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	Manufacture of hard ferrites through wet process.
b) Year of import	1998-99.
c) Has technology been fully absorbed?	Yes
d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans.	Not applicable

Foreign Exchange Earnings and Outgo:

During the year, the foreign exchange outgo was ₹ 1643.54 Lacs (Last Year ₹ 71.29 Lacs) the foreign exchange earned was ₹ Nil (Last Year ₹ Nil)

For and on behalf of the Board of Directors

JAYDEV MODY
Chairman

Date: 01.08.2011

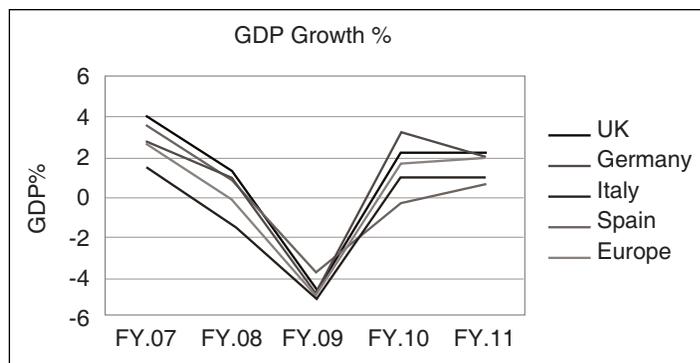
Registered Office:
B-87, MIDC, Ambad,
Nasik-422 010, Maharashtra.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

Economic Overview

The world economy is recovering from its deepest recession in the post-war period. In Europe, following a 4.6 percent contraction in 2009, GDP was projected to increase by 2.3 percent in 2010 and 2.2 percent in 2011.

The recovery in Europe has been boosted by the resurgence of the world economy. Global GDP growth is approaching pre-crisis growth rates (4.8 percent in 2010 and 4.2 percent in 2011), and European exports are benefiting. Export growth is especially strong in countries that export capital goods, which had earlier seen a very steep drop in external demand. Germany grew at an annualized rate of 9 percent in the second quarter, driving resurgence of exports from its main suppliers including within Europe.



Europe is projected to grow by 1.6 percent in 2011 as against 1.7 percent in 2010 and, the eruption of sovereign troubles in early 2010 threatened confidence and shook a still weak financial system. Yet, as the euro weakened and global stock markets tumbled, policy actions helped contain the problem and the recovery endured. Despite recent strength, however, the upswing in Europe is projected to remain weak by historical standards and also compared with other advanced economies. These growth differentials are due to the lingering impact of the crisis and the accelerating fiscal adjustment in 2011. But they also reflect well-known structural rigidities in the labour, product, and services markets that will limit the euro area's potential growth now that the inventory cycle has run its course.

The surprisingly strong growth in the first half of 2010 could continue longer than expected and provide an additional short-term thrust to the recovery by boosting private demand. Activity in the United States or emerging Asia might still exceed expectations and keep exports up. At the same time, however, global growth could very well turn out to be weaker than predicted, with a tail risk of a double-dip recession. Renewed volatility in European financial and sovereign markets is also a possibility.

Indian Economy

GDP growth figures for Q4, 2010-11, highlight an unmistakable downward trend. While in Q1, 2010-11, GDP grew by 9.3 percent, in Q4, 2010-11, GDP growth came down to 7.8 percent. Sectors like manufacturing and mining & quarrying have seen considerable erosion of growth momentum over the last one year. While consumption demand is still holding, a sharp decline in growth of investments is seen. Growth in Gross Fixed Capital Formation (GFCF) has dipped from 17.4 percent in Q1, 2010-11 to 0.4 percent in Q4, 2010-11. Given the evolving situation, growth in 2011-12 is likely to be close to the 8 percent mark.

Business Overview

As you are aware, your Company acquired MMG India Private Limited and MMG MagDev Limited (UK) from TT electronics plc., UK on 30th June, 2010. While MMG India Private Limited is engaged in manufacturing soft ferrites, MMG MagDev Limited is primarily a trading and marketing Company which deals with all kinds of magnetic materials. Delta Magnets Limited ("the Company") produces arc segments for the domestic auto industry while the above two subsidiaries primarily feed the electronic industry. Post recession in 2008, 2009 and first half of 2010, the European market is experiencing growth in industrial output. The global electronics design market is forecast to continue to grow

well in the coming year after a year of significant growth in 2010. There are many market segments that are delivering growth within the electronics industry, with some set to experience heightened growth levels over the coming year. For example, it is estimated that globally the solar technology market will grow at a Compound Annual Growth Rate (CAGR) of 28.0% to 2014. It is reported that Electronics Design Automation is set to achieve a CAGR of 9.7% to 2015. Medical electronics, sensing, and wireless communications markets are further examples of technology segments that are set to experience significant growth in the next 12 months. Hence, both the subsidiaries are now on a growth path exhibiting strong financial recovery.

Market Segment

Delta Magnets Limited (“the Company”)

The Indian auto industry experienced an overall sales growth of approximately 26% during year 2010-11. This increased demand resulted in a net sales growth of 33.7% of the Company.

Two Wheelers – Sales of Motorcycle, Scooter, Scooterette & Moped grew to 117.9 Lac units during 2010-11 as against 93.71 Lac units during 2009-10, a growth of around 25.8 %.

Three Wheelers – Sales of Three wheelers grew to 5.26 Lac units during 2010-11 as against 4.4 Lac units during 2009-10, a growth of around 19.4%.

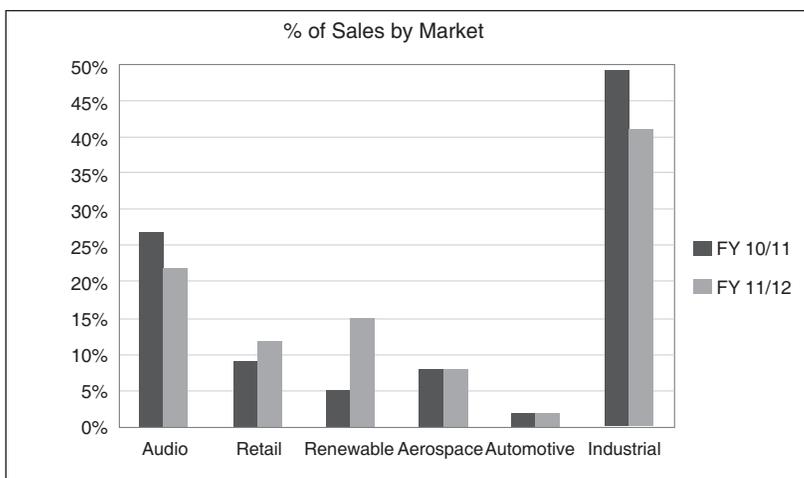
Four Wheelers – Sales of Passenger Cars grew to 25.2 Lac units from during 2010-11 as against 19.51 Lac units during 2009-10, a growth of around 29.2%.

MMG MagDev Limited & MMG India Private Limited

Audio - The UK remains as the world wide centre of excellence for quality audio components, product development continues in this sector to design in higher grade magnets to improve performance and reduce overall product size. Significant growth in FY 2010-11 was seen in this sector mainly due to our largest customer entering into the USA market with his products, Sales in FY 2011-12 are expected to reduce with some concerns in the market with consumer spending potential being reduced over the next 12-18 months.

Retail - We supply magnets and soft ferrite into this sector. Growth is being driven by the demand for an increasing number of products to be security tagged and the need for the tags to be released quickly at the point of sale. MagDev are also supplying FSCP (Fully Sintered Crushed Powder) for heat sealing of food cartons, this sector is also seeing an increase in demand with the costs associated with producing the cartons now being lower than those used in the canning process.

Renewable - This sector is seeing tremendous growth, being driven by legislation from within Europe with the largest potential coming from the supply of soft ferrites for solar inverters. We have a number of materials which can be used by this sector and have already been successful in winning a number of new supply contracts, and are used in the design of the latest low voltage micro inverters, these are becoming the most widely used as are much easier to install as opposed to the high voltage inverters which require specialist installation.



Aerospace - We supply a number of magnet assemblies used in a variety of applications including fuel dump valves, noise cancellation systems and black box locaters fitted within the aircraft. The drivers in this sector are the constant need to reduce the weight and size of the devices whilst increasing efficiency.

Automotive - Magnets are used in a number of sensors within the car to monitor the position of different components this is at present a very small part of our business and due to the life cycle of components will take some time to develop.

Industrial - We supply magnets, soft ferrites and assemblies into this sector with a wide range of applications including measuring sensors, in cash machines alarm reed switches, chokes and filters for industrial lasers. The key drivers in this sector is the requirement for greater efficiencies and size/weight reduction required for power supplies, chokes etc. and the local level of technical assistance required from the customers when developing new applications.

Opportunities & Threats

Opportunities

- The Indian domestic auto industry is getting flooded with new models of cars and motor cycles as world class manufacturers are setting up production facilities in India.
- The two wheeler industry shall continue to grow in India and shall drive the demand for segment magnets.
- More demand for push button (PMDC motor) start bikes in India adds to the demand for ferrite magnets.
- The electronic industry in Europe is on the growth path. Hence demand for soft ferrites and neodymium magnets is expected to grow.

Threats

- Shortage of raw material for neodymium magnets and consequent frequent price rises imposed by China is adversely affecting business in this product.
- Low priced strontium ferrite segment magnets from China is harming the domestic magnet manufacturers.
- Shortage of natural ferric oxide due to ban on mining in Bellary area is a cause of serious concern.
- High interest rates are affecting sale of automobiles in India.
- Volatility in exchange rates of Euro/USD/GBP/Rs affects the trading business of MMG MagDev Limited.

Outlook

The demand drivers for your Company including its subsidiaries are the automobile industry and the electronic industry. The automobile industry in India has been growing year to year and the outlook for next year looks strong.

The electronic industry in UK and Europe has come out of recession and many sectors such as the non-conventional energy and aerospace are showing signs of strong growth.

Overall, the sentiments look positive and one can expect growth in all the three companies.

Risks and Concerns

The Chinese government has imposed strict restrictions on mining of raw material for neodymium magnets. China is the main source for raw material used in rare earth magnet. Non-availability of sufficient raw material is pushing the prices up. Chinese suppliers of neodymium magnet are increasing price every month, making trading extremely difficult.

Similarly, the clamp down on mining of natural ferric oxide in India is also a cause for serious concern.

Your company is developing new products, cutting down costs and investing to increase production capacity in order to counter China's policy of flooding the Indian market with cheap exports.

Internal Controls and Systems

The Company has recently upgraded its integrated Oracle based ERP system to enhance adherence to laid down systems and procedures. MMG India Private Limited is in the process of implementing the same system at Chennai. MMG MagDev Limited has also upgraded its hardware and software recently.

All the three companies are ISO – 9001 – 2008 certified and all have adequate internal controls to ensure that all assets are safe guarded and protected against loss from disposition and that all transactions are authorised, recorded and reported correctly.

The internal control is supplemented by having internal audits in regular intervals by reputed chartered accountant firms and reviews by management.

Financial & Operational Performance

The Company's revenue comes through the following streams of business activities.

- Hard Ferrite: Income from hard ferrite was at ₹ 1246 Lacs, a growth of 33.70% over the previous year; in spite of the increase in input cost.
- Soft Ferrite & Rare Earth Magnets: Income from these products was at ₹ 2388 Lacs, this is the additional income by acquired Companies.

The interest cost has increased to ₹ 6.66 Lacs against ₹ 0.91 Lacs in last year due to utilization of bank Term Loan & Cash Credit Limit.

The working capital level has increased due to increase in finished goods stock and debtors. Strict monitoring of material dispatch and collection is being done to bring down the debtors level which stood at ₹ 779.60 Lacs as on 31st March, 2011.

The Company invested ₹ 138.94 Lacs in plant & machinery for enhancing production capacity.

The Company purchased a Freehold Property, Unit 23, Ash Industrial Estate, at Swindon (UK) at cost of ₹ 497.75 Lacs, from where MMG MagDev Limited is now operating.

The Depreciation for the year increased due to dilapidation charges of the lease property at UK.

Human Resources

Due to its operations spanning across India, UK and Europe, your Company understands the value of talented people and puts in place practices & policies for the growth and progress of its employees. Individual Performance Management System has been implemented for top management cadre to encourage merit and enhance innovative thinking. Roles and responsibilities have been defined at all levels to avoid ambiguity and duality. The Companies lay great emphasis on training and development of employees. One day in a week is taken as the training day and each HoD takes on-the-job training for his departmental personnel. External trainers are also invited for lectures.

The Company and MMG India Private Limited have internal unions. Wage agreements have been finalised with the internal unions and are valid till 31st March, 2012 and 15th December, 2013 respectively. MMG MagDev Limited does not have any union. The total employee strength as on 31st March, 2011 stood at 173.

Cautionary statement:

Statement in the "Management Discussion and Analysis Report" describing the Company's objectives, estimates, expectations or projections may be 'forward looking statements' within 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's philosophy on Corporate Governance is to achieve business excellence by enhancing the long term value of its stakeholders and is guided by a strong emphasis on transparency, accountability and integrity.

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

Board of Directors

A. Composition of the Board

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

None of the Director of the Company is a member of the Board of more than fifteen Public Companies (including Private Companies which are subsidiaries 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, 56 years of age, is a well known businessman and has been in business for more than 34 years. Mr. Mody has over 24 years of experience in the field of real estate development and has played a key role in building and developing Crossroads, one of the first shopping malls of international standards in India. A graduate in Arts from Mumbai University, Mr. Mody has been instrumental in the development of several large residential complexes, office complexes and retail destinations in and around Mumbai. Mr. Mody is currently involved in the development of Ashok Towers, Ashok Gardens, Peninsula I.T. Park and other landmark projects of global standard.



Mr. Mahesh Gupta

Mr. Mahesh S. Gupta, 54 years of age has an Honours Degree in B.Com; L.L.B (Gen). Fellow Member of The Institute of Chartered Accountants and The Institute of Company Secretaries of India. He had an outstanding academic record and rank holder and a Silver Medalist in Company Secretaries Final examination.

Mr. Gupta has received a number of recognitions for his business and professional acumen. He was awarded the CFO of the Year Award, 2001, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) by IMA (formerly known as EIU), New Delhi. He is on the Board of several Public Listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, Ceat Limited, RPG Life Sciences 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. Rajesh Jaggi

Mr. Rajesh Jaggi, 42 years of age and a Management professional from Babson Graduate School of Business, Boston.

Mr. Jaggi is responsible for the direction and performance of the real estate business of the Ashok Piramal Group, Peninsula Land Limited, the Peninsula Realty Fund and Peninsula Facility Management Services Limited.

Mr. Jaggi has over thirteen years of experience in every sector of the real estate business, from sourcing new ventures, construction management, facility management, marketing and sales.

In real estate since 1996, Mr. Jaggi's previous experience as Executive Director at Orbit Group of Companies has equipped him with the knowledge and operational skills required to make a difference in the running of the Company.

Mr. Jaggi has been a major driving force in developing the Facility Management Business and also in the launch of the Real Estate Fund.



Mr. Javed Tapia

Mr. Javed Tapia, 45 years of age, is a graduate from Sydenham College, Mumbai and completed his post graduation in Business Administration from Duke University, USA. He is the founder of Duke University's Fuqua Alumni Club in India and also serves on the interview panel for prospective applicants to Fuqua School of Business. With strong background in corporate finance and management, he has over 20 years of experience in building and growing a varied range of companies.

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

He is also managing the real estate division of Clover Realty and Infrastructure Pvt. Ltd. CRIPL is into building residential and commercial complexes, lifestyle malls and warehouse. He also oversees Deccan Warehousing, 5,00,000 sq.ft. of modern, state-of-the-art warehouse, located at Talegaon near Pune.

The issue of climate changes and the abundant supply of sunshine that India enjoys, motivated him to start a new venture on Renewable sources of energy that would lead to the betterment of India and World at large. The venture Clover Solar Pvt. Ltd. (CSPL) aspires to be a major player in the solar PV and solar thermal area.



Mrs. Urvi Piramal

Ms. Urvi A. Piramal is 58 years of age, oversees a professionally managed business group in India with business interest in real estate, textiles, engineering, entertainment and sports. Ms. Piramal has a Bachelor of Science degree and has attended the Advanced Management Program at Harvard Business School.

Ms. Piramal has been a member of Technology and Quality Improvement Committee of the Indian Merchants' Chamber since its inception in 1994, and also the Chairperson of Supply Chain and Retail Business (Internal Trade) Committee (2004-2005). 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 across the Group. 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 Indian Institute of Materials Management.



Capt. Ratnakar Barick

Capt. Ratnakar Barick, 64 years of age, has done B.E. (Electrical) and professional courses like Advance Electrical and Electronics Engineering for 2 years from Naval Electrical School and Marine Equipment Training from erst while USSR.

Capt. Barick has 38 years of enriched experience in the field of engineering. Capt. Barick has worked in various capacities in a large number of Naval Ships and Establishments, notable ones being:

- Submarine rescue ship
- Modern Frigates built by Mazagon Dock
- Naval Dockyard, Mumbai
- Naval Dockyard, Visakhapatnam
- Naval Electrical Training College, Jamnagar as head of training.

Capt. Barick was the General Manager (Works) of a medium sized process plant and also the Vice-President (Operations) of Peerless Fabrikernne (India), a 100% EOU from 1996 till 1999.

Capt. Barick received two Commendations by Flag Officer, Commanding Western Naval Command, Indian Navy for meritorious service. Capt. Barick also participated in 1971 war.



Ms. Ambika Kothari

Ms. Ambika Kothari, 34 years of age, is B.A. Economics with Honours through Wellesley College. Ms. Kothari has also studied Accounting and Business at MIT Sloan School of Management and Harvard University. Ms. Kothari is experienced in the fields of business administration, management and as an 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 Pvt. Ltd.



Dr. Vrajesh Udani

Dr. Vrajesh Udani, 55 years of age, is a Pediatric Neurologist. Dr. Udani is a consultant at the Hinduja National Hospital and Medical Research Centre, Saifee Hospital and Breach Candy Hospital and Medical Research Centre. 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. Ram Shroff

Mr. Ram H. Shroff, 40 years of age, is a qualified medical doctor. Mr. Shroff has an experience of more than 12 years in Charak Pharma where is a Director and in charge of sales and marketing.

Mr. Shroff has also initiated Charak Pharma's international presence. Charak is now available in more than 45 countries around the world.

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

Mr. Shroff also participated in several local and international medical conferences impressing the need of alternative medicines in the treatment of patients.

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

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 atleast 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 Whote Time 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, 2011.

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

During the financial year ended 31st March, 2011, 6 (Six) meetings of the Board were held, as follows:

No.	Date	Board Strength	No. of Directors present
1	7th April, 2010	6	6
2	10th May, 2010	6	5
3	30th June, 2010	6	6
4	30th July, 2010	8	8
5	29th October, 2010	8	6
6	28th January, 2011	8	5

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

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

The current composition of the Board of Directors as on date and attendance of the Directors at the Board Meetings as well as their Directorship/membership in committees of Public Companies as on 31st March, 2011, is as follows:

(Other Directorships do not include alternate Directorships, Directorships of Private Limited Companies, Unlimited Companies, Section 25 Companies and of 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 2010-2011		Whether attended the last AGM held on 29.09.10	Number of Directorships in other Public Companies		Number of Committee positions held in other companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Jaydev Mody (Chairman)	Non-Executive, Promoter	6	6	No	2	5	2	0
Mr. Mahesh Gupta	Non-Executive, Independent	6	6	Yes	3	10	3	5
Mr. Rajesh Jaggi	Non-Executive, Independent	6	5	No	1	12	0	2
Ms. Urvi Piramal	Non-Executive,	6	4	No	6	0	0	1
Mr. Javed Tapia	Non-Executive, Independent	6	6	No	0	2	0	0
Capt. Ratnakar Barick	Whole-Time Director	6	6	Yes	0	0	0	0
* Dr. Vrajesh Udani	Non-Executive, Independent	6	1	No	0	0	0	0
* Ms. Ambika Kothari	Non-Executive, Independent	6	2	No	0	0	0	0
#Mr. Ram Shroff	Non-Executive, Independent	6	0	No	0	0	0	0

* Dr. Vrajesh Udani and Ms. Ambika Kothari have been appointed as an Additional Directors of the Company with effect from 30th July, 2010.

Mr. Ram Shroff has been appointed as an Additional Director of the Company w.e.f. 1st August, 2011.

Details of the Directors being re – appointed

Ms. Urvi Piramal and Mr. Mahesh Gupta, Directors of the Company, are retiring by rotation at the ensuing Annual General Meeting of the Company. It is proposed to re-appoint Ms. Urvi Piramal and Mr. Mahesh Gupta as Director retiring by rotation. Their detailed profile in line with Clause 49 of the Listing Agreement is forming the part of the Notice of the Annual General Meeting.

Committees of the Board

A. Audit Committee

The Audit Committee acts as a link between Statutory and Internal Auditors and the Board of Directors. The Audit Committee provides reassurance to the Board regarding the existence of an effective internal control environment that ensures:

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

Powers

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

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

Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement. 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 external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval ;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors any significant finding and follow up thereon;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with the statutory auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to shareholders (in case of non-payment of declared dividends) and creditors;

- Approval of appointment of CFO;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and
- Other statutes, as amended from time to time.

Review of Information

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

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

Composition

The Audit Committee of the Company presently comprises of three Directors i.e. Mr. Mahesh Gupta, Mr. Rajesh Jaggi and Mr. Javed Tapia, 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 and the Statutory 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, 2011 4 (Four) meetings of the Audit Committee were held. The meetings of the Audit Committee were held on 10th May, 2010, 30th July, 2010, 29th October, 2010 and 28th January, 2011 and the same were attended by majority members of the Committee. 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 Thursday, 23rd September, 2010 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;
- Such other matters as the Board may from time to time request the Compensation Committee to examine and recommend / approve.

Composition

The Remuneration Committee as on date comprises of three members i.e. Mr. Javed Tapia, Mr. Jaydev Mody and Mr. Rajesh Jaggi. 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, 2011, 1 (One) meeting of the Remuneration Committee of the Company was held on 28th January, 2011, which was attended by all members of the Committee.

Remuneration Policy

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

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

Service contract, Severance Fee and Notice Period

The Company has not entered into any service contract.

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

Details of remuneration paid to Executive and Non Executive Directors for the year ended 31st March, 2011 and their relationship with other Directors of the Company

Executive Director

Name	Relationship with other Directors	Salary	Benefits, perks and allowances	Commission	Contribution to Provident Fund	Stock Option granted upto 31st March, 2011
Capt. Ratnakar Barick	None	₹ 22,42,000/-	₹ 1,50,000/-	₹ 5,00,000/-	₹ 1,08,000/-	NIL

Non Executive Directors

Name	Relationship with other Directors	Sitting Fees	Commission	Total
Mr. Jaydev Mody	None	10000	—	10000
Ms. Urvi Piramal	None	6000	—	6000
Mr. Mahesh Gupta	None	18000	—	18000
Mr. Javed Tapia	None	18000	—	18000
Mr. Rajesh Jaggi	None	14000	—	14000
Capt. Ratnakar Barick	None	—	—	—
*Ms. Ambika Kothari	None	4000	-	4000
*Dr. Vrajesh Udani	None	2000	-	2000
#Mr. Ram Shroff	None	-	-	

* Dr. Vrajesh Udani and Ms. Ambika Kothari have been appointed as an Additional Directors of the Company with effect from 30th July, 2010.

Mr. Ram Shroff has been appointed as an Additional Director of the Company w.e.f. 1st August, 2011.

During the financial year ended 31st March, 2011 except payment of sitting fees and dividend on ordinary shares held, if any, by the Non – Executive Directors, the Company do not have any pecuniary relationship or transactions with the Non – Executive Directors.

Shareholding of Non-executive Directors

The Individual shareholding of Non-executive Directors (including shareholding as joint holder) as on 31st March, 2011 are given below:

Name	No. of shares held
Mr. Jaydev Mody	1125
Mr. Javed Tapia	0
Mr. Mahesh Gupta	104
Mr. Rajesh Jaggi	0
Ms. Urvi Piramal	0
Ms. Ambika Kothari	1950
Mr. Ram Shroff *	2100
Dr. Vrajesh Udani	0

* Mr. Ram Shroff was appointed as an Additional Director of the Company w.e.f. 1st August, 2011.

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 Shareholders'/Investors' 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 Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Composition

The Share Teransfer and Investors Grievance Committee as on date comprises of three members i.e. Mr. Jaydev Mody, Mr. Rajesh Jaggi and Capt. Ratnakar Barick. 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, 2011, 4 (Four) meetings of the Share Transfer and Investors Grievance Committee meetings were held, as follows:

No.	Date	Committee Strength	No. of Members present
1	30th June, 2010	3	3
2	8th October, 2010	3	3
3	10th January, 2011	3	3
4	31st March, 2011	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 2011.

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.

The Company has received 1 investor's complaint during the financial year and there were no complaints pending at the beginning and 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
2007 – 08	Ping Pong Hall, Club Peninsula, Peninsula Corporate Park, Ganpat Rao Kadam Marg, Lower Parel, Mumbai-400013, Maharashtra.	September 29, 2008	Monday	2.00 p.m.	1
2008 – 09	Ping Pong Hall, Club Peninsula, Peninsula Corporate Park, Ganpat Rao Kadam Marg, Lower Parel, Mumbai-400013, Maharashtra.	September 29, 2009	Tuesday	2.30 p.m.	1
2009 – 10	The Gateway Hotel, Ambad, Nasik-422 010	September 23, 2010	Thursday	2.00 p.m.	0

POSTAL BALLOT

During the year, pursuant to provision at Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, certain resolutions were 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 reports to the Chairman, the details are given below:

Date of Postal Ballot	Nature of Resolution	Resolutions Passed
12th May, 2010	Ordinary	Increase of Borrowing limits of the Company under Section 293(1) (d) of the Companies Act, 1956
	Ordinary	Authority to Board of Directors of the Company under Section 293(1)(a) of the Companies Act, 1956
	Special	Increase in limits under Section 372A of the Companies Act, 1956
8th March, 2011	Special	Increase in remuneration of Capt. Ratnakar Barick, Whole Time Director of the Company.

As on date there are no Special Resolutions which are proposed to be passed by way of Postal Ballot.

Disclosures

- a) During the financial year 2010-2011 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 newspapers:

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

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

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

General Shareholder Information

Annual General Meeting:

Date and Time : Thursday, the 29th day of September, 2011 at 2.30 P.M

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

As required under Clause 49 (IV) (G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 29th September, 2011.

Financial Calendar : 1st April, 2011 to 31st March, 2012

Financial reporting for

Quarter ending 30th June, 2011 : By 14th August, 2011.

Quarter ending 30th September, 2011 : By 14th November, 2011.

Quarter ending 31st December, 2011 : By 14th February, 2012.

Year ending 31st March, 2012 : Latest by 30th May, 2012.

Annual General Meeting for the year ending 31st March, 2012 : By 30th September, 2012.

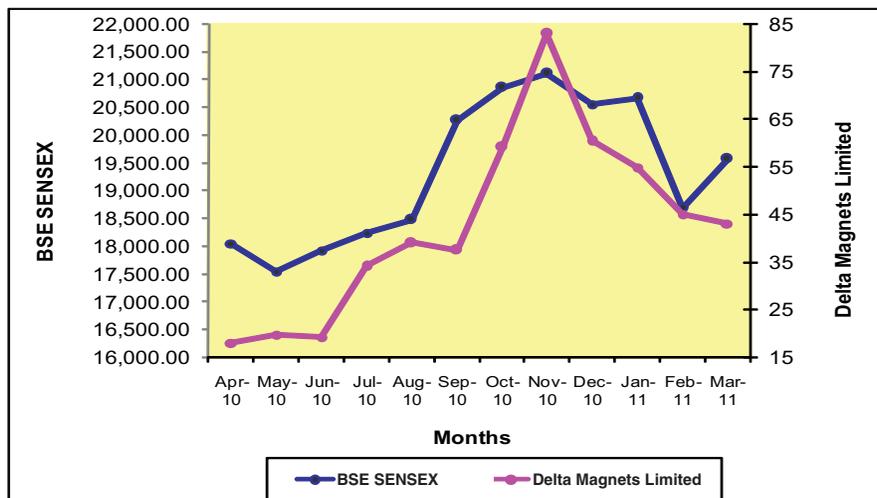
Dates of Book Closure : From Monday, 26th day of September, 2011 To Thursday, the 29th day of September, 2011 both days inclusive.

Dividend payment date : N.A.

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, 2011:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-10	17.96	12.13	18.15	12.45
May-10	19.70	14.60	18.95	16.65
Jun-10	19.19	14.00	17.80	15.00
Jul-10	34.15	20.10	27.75	18.70
Aug-10	39.05	25.50	37.05	27.30
Sep-10	37.45	27.50	36.70	26.50
Oct-10	59.15	28.95	53.75	30.35
Nov-10	82.90	50.75	82.15	50.60
Dec-10	60.40	40.60	54.10	43.55
Jan-11	54.80	39.95	57.00	44.00
Feb-11	45.00	33.45	42.25	38.85
Mar-11	43.05	29.00	38.00	31.70



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: amtrac_nsk@sancharnet.in

Share Transfer Process

Shares in physical form are processed by the Registrar and Share transfer agent within 15 days from the date of receipt, if the documents are complete in all respects. Chairman, Whole Time Director and Company Secretary has been severally empowered to approve transfers. The same shall be ratified by the Investors' Grievances Committee.

Distribution of Shareholding according to Numbers as at 31st March, 2011

Category	No. of holders	Percentage	No of shares held in that slab	% to total number of shares
1 to 5000	4318	98.95	1081949	22.26
5001 to 10000	23	0.53	164744	3.39
10001 to 20000	13	0.30	182715	3.76
20001 to 50000	3	0.07	96948	1.99
50001 to 100000	3	0.07	210453	4.33
100001 & above	4	0.09	3124054	64.27
TOTAL	4364	100	4860863	100

Distribution of equity shareholding according to categories of shareholders as at 31st March, 2011

Sr. No.	Category of Shareholder	Number of Share holders	Number of shares	%
(A)	Shareholding of Promoter and Promoter Group	4	3019062	62.11
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds/UTI	5	7375	0.15
(b)	Financial Institutions / Banks	2	1750	0.04
(c)	Insurance Companies	0	0	0
(d)	Foreign Institutional Investors	0	0	0
2	Non-Institutions			
(a)	Bodies Corporate	106	423671	8.72
(b)	Individuals			
	Individuals			
	(i) holding nominal share capital up to ₹ 1 lakh	4222	1137219	23.40
	(ii) holding nominal share capital in excess of ₹ 1 lakh	14	266896	5.49
(c)	NRI's	11	4890	0.10
	Total Public Shareholding	4360	1841801	37.90
	TOTAL	4364	4860863	100

Dematerialisation of shares and liquidity

As on 31st March, 2011, 4,502,552 Equity Shares (92.63 % of the total number of shares) are in dematerialised form as compared to 44,90,561 Equity Shares (92.38 % of the total number of shares) as on 31st March, 2010.

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.

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, 1st Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai - 400 034, Maharashtra.	Tel.: (022) 40794700 Fax: (022) 40794777	secretarial@jmggroup.in

DECLARATION

I, Ratnakar Barick, Whole-time 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, 2011.

For Delta Magnets Limited
CAPT. RATNAKAR BARICK
Whole-Time Director

Date: 1st August, 2011

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 [“The Company”] for the year ended 31st March, 2011 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

Date: 1st August, 2011
Place: Ahmedabad

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

AUDITORS' REPORT TO THE MEMBERS OF DELTA MAGNETS LIMITED

We have audited the attached Balance Sheet of Delta Magnets Limited as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditors' Report) Order, 2003 and amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 - 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 these books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act.
 - e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, give the information required by the Act, in the manner so required, read together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date, and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

(Amit Desai)
Proprietor

M.No. 032926

Mumbai: 2nd May, 2011

**ANNEXURE TO AUDITORS' REPORT TO THE MEMBERS OF
DELTA MAGNETS LIMITED**

(REFERRED TO IN PARAGRAPH I OUR REPORT OF EVEN DATE)

- (i) (a) The Company is maintaining 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 regular intervals 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 verification.
- (c) In our opinion, the Company has not disposed off a substantial part of fixed assets during the period and the going concern status of the Company is not affected.
- (ii) (a) The management 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) The Company has neither granted nor taken any loan to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, and the requirements of Clauses (iii) (a) to (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for 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.
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangement referred to in Section 301 of the Act, have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, there are no such transactions made in pursuance of such contracts or arrangements and which exceeds the value of ₹ Five Lacs.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Rules framed there under are applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Act.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to it during the period with the appropriate authorities and there were no such outstanding dues as at 31st March, 2011 for a period exceeding six months from the date they became payable.

(b) According to the records of the Company, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute, are as follows:

Sr. No.	Name of the statute	Nature of the dues	Amount (₹)	Period to which amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty and Service Tax	15,56,101	F.Y. 1997-98 to 1999-00	Appellant Commissioner Excise
2	Finance Act, 1994	Service Tax	28,26,095	F.Y 1998-99 to 2001-02	Commissioner of Excise
3	Income Tax Act, 1961	Income Tax	23,29,859	A.Y 1990-91, 1994-95 and 1995-96	Income Tax Appellant Tribunal
TOTAL			67,12,055		

- (x) The Company has accumulated losses which exceed 50% of its net worth at the end of the financial year under reporting and has not incurred cash losses during the year and immediately preceding financial year.
- (xi) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Bank.
- (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.
- (xiii) Clause (xiii) relating to applicability of provisions for special statute applicable to Chit Fund, or relating to Nidhi, Mutual Benefit Funds/Societies, is not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader, in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the Term Loan has been applied for the purpose for which it was obtained.
- (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 the Company has not, prima facie, used short term funds for long term purposes or vice versa.
- (xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures during the period.
- (xx) The Company has not raised any monies by way of public issue during the period.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the period.

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

M.No. 032926

BALANCE SHEET AS AT 31ST MARCH, 2011

		(₹ in '000)	
Particulars	Schedule No.	As at 31st March 2011	As at 31st March 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	48,608.63	48,608.63
Reserves and Surplus	II	170,912.79	163,150.71
Loan Funds			
Secured Loans	III	21,649.83	-
Unsecured Loans	IV	130,272.39	967.32
	TOTAL	371,443.64	212,726.65
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	V	462,757.03	450,298.71
Less: Depreciation		294,388.04	282,560.51
Net Block		168,368.99	167,738.20
Capital Work in Process including Capital Advance		813.53	2,301.75
		169,182.52	170,039.95
Investments	VI	139,794.65	-
Deferred Tax Assets		4,821.00	3,321.00
Current Assets, Loans and Advances			
Inventories	VII	14,997.31	13,659.69
Sundry Debtors		25,449.71	18,088.82
Cash and Bank Balances		6,978.99	3,199.92
Loans and Advances		29,647.48	22,324.57
		77,073.49	57,273.00
Current Liabilities and Provisions			
Current Liabilities	VIII	18,066.59	16,765.50
Provisions		1,361.44	1,141.79
		19,428.03	17,907.29
Net Current Assets		57,645.47	39,365.70
	TOTAL	371,443.64	212,726.65
Significant Accounting Policies and Notes forming Part of the Accounts			
	XV		

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in '000)			
Particulars	Schedule No.	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Gross Sales		137,485.75	101,114.71
Less: Excise Duty		12,892.27	7,925.19
Net Sales		124,593.48	93,189.52
Increase/ (Decrease) in Stock of Finished Goods & Process Stocks	IX	300.93	2,851.54
Other Income	X	1,046.54	3,419.85
		125,940.95	99,460.91
EXPENDITURE			
Materials Consumed	XI	16,130.12	11,556.92
Manufacturing and Other Expenses	XII	65,849.98	54,376.65
Staff Costs	XIII	24,872.85	23,391.16
		106,852.95	89,324.73
Profit/(Loss) Before Interest, Depreciation and Tax Finance Charges (Income)	XIV	19,088.01 (751.51)	10,136.18 (1,648.70)
Depreciation	V	11,827.53	14,246.77
Less: Transfer from Revaluation Reserve		613.72	613.72
		11,213.81	13,633.05
Profit/(Loss) Before Tax		8,625.70	(1,848.17)
Prior Period Items		(103.69)	(163.34)
		8,522.02	(2,011.51)
Provision for Taxation			
MAT Tax		(1,646.21)	-
Deferred Tax Assets		1,500.00	3,321.00
Profit/(Loss) After Tax		8,375.80	1,309.49
Balance Brought Forward		(87,759.29)	(89,068.78)
Balance Carried Forward		(79,383.49)	(87,759.29)
Earning per Share Basic and Diluted (₹) (Face Value of ₹ 10/-)		1.72	0.27
Significant Accounting Policies and Notes Forming Part of the Accounts	XV		

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in '000)

Sr. No.	Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/(Loss) Before Tax and Extraordinary items	8,625.70	(1,848.17)
	Adjustment for:-		
	Depreciation	11,213.81	13,633.05
	Loss / (Profit) on Sale of Assets	-	(2,735.01)
	Employee Benefits	219.64	712.60
	Interest Paid	205.27	90.94
	Interest Income	(956.78)	(1,739.64)
	Operating Profit Before Working Capital Changes	19,307.65	8,113.77
	Adjustment for:		
	Trade and Other Receivables	(15,041.55)	(2,521.20)
	Inventories	(1,337.62)	(953.01)
	Trade Payables	1,301.09	2,273.46
	Taxes Paid	(1,288.47)	(27.91)
	Prior Period (Income)/Expenses	(103.69)	(163.34)
	Net Cash Flow From Operating Activities	2,837.42	6,721.77
B. CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets , Capital Work in Progress	(10,970.11)	(9,503.54)
	Purchase of Share of Subsidiaries	(139,794.65)	-
	Sale of Fixed Assets	-	3,547.25
	Interest income	956.78	1,739.64
	Net Cash Used In Investing Activities	(149,807.98)	(4,216.64)
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Interest Paid	(205.27)	(90.94)
	Proceeding From Long Term Borrowing	21,649.83	(1,477.91)
	Proceeding From Short Term Borrowing	129,305.07	(951.85)
	Net Cash Used In Financing Activities	150,749.63	(2,520.70)
	Net Changes In Cash And Cash Equivalentents (A+B+C)	3,779.07	(15.57)
	Cash And Cash Equivalentents at the beginning of year	3,199.92	3,215.49
	Cash And Cash Equivalentents at the end of year	6,978.99	3,199.92

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 ICAI.
- 2) Previous year's figures have been regrouped or rearranged wherever necessary to confirm the current year's classification.

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in '000)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE I		
Share Capital		
Authorised		
50,00,000 Equity Shares of ₹ 10/- each	50,000.00	50,000.00
50,00,000 Unclassified Shares of ₹ 10/- each	50,000.00	50,000.00
TOTAL	100,000.00	100,000.00
Issued, Subscribed and Paid up		
48,60,863 Equity Shares of ₹ 10/- each fully paid up	48,608.63	48,608.63
TOTAL	48,608.63	48,608.63
SCHEDULE II		
Reserves And Surplus		
Revaluation Reserve	131,799.11	132,412.83
Less :- Depreciation on Revalued Assets	613.72	613.72
	131,185.39	131,799.11
Debit Balance in Profit & Loss Account	(87,759.29)	(89,068.78)
Add:- Profit /(Loss)During the Year	8,375.80	1,309.49
	(79,383.49)	(87,759.29)
Capital Reserve	3,504.25	3,504.25
Share Premium Account	76,531.45	76,531.45
General Reserve	39,075.19	39,075.19
TOTAL	170,912.79	163,150.71
SCHEDULE III		
Secured Loans		
Term Loan (from Bank)		
(Secured by the first charge on entire fixed assets of the Company present and future by way of hypothecation of Plant & Machinery and equitable mortgage of Land & Building)	21,649.83	-
TOTAL	21,649.83	-
SCHEDULE IV		
Unsecured Loans		
Inter Corporate Deposits	129,875.00	-
Sales Tax Deferral Loan		
(Repayable with in next year ₹ 274.22 ('000) P.Y. 593.93 ('000))		
(Paid during the year ₹ 569.93 ('000) P.Y. 951.84 ('000))	397.39	967.32
TOTAL	130,272.39	967.32

SCHEDULE V
Fixed Assets & Depreciation

(₹ in '000)

Description	Gross Block			Depreciation			Net Block			
	As at 01.04.2010	Additions	Deduction	As at 31.03.2011	As at 01.04.2010	Additions	Revaluation	Deduction	As at 31.03.2011	As at 31.03.2010
Land	114,558.00	-	-	114,558.00	-	-	-	-	114,558.00	114,558.00
Factory Building	42,874.03	-	-	42,874.03	13,974.99	818.27	613.72	-	27,467.05	28,899.04
Office Building	1,383.57	-	-	1,383.57	253.49	22.55	-	-	1,107.53	1,130.08
Plant & Machineries	274,868.13	8,940.50	-	283,808.63	255,606.48	9,619.25	-	-	18,582.90	19,261.65
Equipments	11,319.08	2,468.60	-	13,787.68	8,873.35	535.19	-	-	4,379.14	2,445.74
Furniture and Fixtures	3,663.28	128.80	-	3,792.08	3,379.12	60.99	-	-	3,440.11	284.16
Vehicles	1,632.61	-	-	1,632.61	473.08	155.10	-	-	1,004.43	1,159.53
Computers	-	920.42	-	920.42	-	2.45	-	-	917.97	-
TOTAL	450,298.71	12,458.33	-	462,757.03	282,560.51	11,213.81	613.72	-	168,368.99	167,738.20
Previous Year	444,135.20	7,865.93	1,702.42	450,298.71	269,203.91	13,633.05	613.72	890.19	167,738.20	174,931.29

Note: The Plant & Machinery Includes certain item which is fully written off in books of account though the items are still physically installed In the factory. The said items are used and reconditioning is made when ever necessary.

(₹ in '000)		
Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE VI		
Investments (Long Term - Trade)		
In Wholly Owned Subsidiary Companies		
Fully Paid Equity Shares:		
MMG India Private Ltd. (1,38,65,870 Equity Shares of ₹ 10 each)	76,810.89	-
MMG MagDev Ltd (Foreign Company) (762,500 Equity Shares of £ 1. each 2,500 Deferred Shares of £ 1. each)	62,983.76	-
TOTAL	139,794.65	-
SCHEDULE VII		
Current Assets, Loans And Advances		
Inventories		
(As taken, valued and certified by the Management)		
Raw Materials	1,829.38	237.88
Work -in-Progress	7,260.32	9,782.02
Finished Goods	3,170.19	347.56
Stores, Spares, Consumables and Packing Materials	2,663.91	3,292.23
Loose Tools	73.51	-
	14,997.31	13,659.69
Sundry Debtors		
(Unsecured, Considered Good Unless Otherwise Stated)		
Over Six Months - Considered Doubtful	81.42	218.06
Less : Provision for Doubtful Debts	(81.42)	(218.06)
Others	25,449.71	18,088.82
	25,449.71	18,088.82
Cash and Bank Balances		
Cash on hand	36.73	13.07
With Scheduled Banks		
In Current Account	3,909.18	154.30
In Deposit Account	3,033.08	3,032.55
(Interest accrued and due ₹ 33.08 ('000) P.Y. ₹ 32.55 ('000))		
	6,978.99	3,199.92

(₹ in '000)		
Particulars	As at March 31, 2011	As at March 31, 2010
Other Current Assets		
Interest Receivable	669.17	62.92
Other Receivable	-	3,273.38
Loan to subsidiary		
MMG MagDev Ltd. UK (Maximum Balance ₹ 20,162.63 ('000))	20,162.63	-
Other Inter Corporate Deposits	-	11,100.00
Advances Recoverable in Cash or in Kind or for Value to be Received	3,993.76	3,252.03
Advance Tax	1,709.94	1,563.00
Deposits		
With Public Bodies	3,086.03	3,018.24
With Others	25.96	55.00
	<u>29,647.48</u>	<u>22,324.57</u>
TOTAL	<u>77,073.49</u>	<u>57,273.00</u>
SCHEDULE VIII		
Current Liabilities And Provisions		
Current Liabilities		
Sundry Creditors - Micro, Small and Medium Enterprises	-	-
Sundry Creditors - Others	6,368.82	8,250.89
Advance Received from Customers	3,926.74	4,031.71
Other Liabilities	7,771.04	4,482.90
	<u>18,066.59</u>	<u>16,765.50</u>
Provisions		
Leave Encashment	530.22	452.34
Gratuity	831.21	689.45
	<u>1,361.44</u>	<u>1,141.79</u>
TOTAL	<u>19,428.03</u>	<u>17,907.29</u>

Note:- Other Liabilities includes ₹ 3,239.89 ('000) (P.Y. ₹ 133.64 ('000)) being cash credit from bank on security of First Hypothecation Charge on current assets of the Company, present & future.

**SCHEDULE FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
(₹ in '000)		
SCHEDULE IX		
Increase / (Decrease) in Stock of Finished Goods and Work - in - Progress		
Stocks At the End		
Finished Goods	3,170.19	347.56
Work-in-Progress	7,260.32	9,782.02
	<u>10,430.51</u>	<u>10,129.58</u>
Stocks At the Beginning		
Finished Goods	347.56	3,055.72
Work-in-Progress	9,782.02	4,222.32
	<u>10,129.58</u>	<u>7,278.04</u>
TOTAL	<u>300.93</u>	<u>2,851.54</u>
SCHEDULE X		
Other Income		
Other Operating Income	686.35	525.72
Miscellaneous Income	44.17	2,894.13
Sundry Balances Written Back	316.02	-
TOTAL	<u>1,046.54</u>	<u>3,419.85</u>
SCHEDULE XI		
Materials Consumed		
Opening Stocks	237.88	934.78
Add : Purchases	16,804.36	10,860.02
	<u>17,042.24</u>	<u>11,794.80</u>
Less : Closing Stocks	(1,829.38)	(237.88)
Add : Cost of Goods Traded	917.26	-
TOTAL	<u>16,130.12</u>	<u>11,556.92</u>

(₹ in '000)		
Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
SCHEDULE XII		
Manufacturing and Other Expenses		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	17,863.03	15,344.30
Power and Fuel	36,266.54	30,500.69
Rates, Taxes and Water Charges	356.14	445.46
Repairs and Maintenance		
- Plant & Machinery	1,838.93	1,146.36
- Building	299.79	99.11
- Others	737.64	956.22
	2,876.35	2,201.69
Excise Duty variation on Opening / Closing Stock	296.04	12.92
Insurance Charges	143.31	158.60
Travelling Expenses	708.29	362.84
Freight Charges	3,719.10	2,754.61
Directors' Sitting Fees	72.00	82.00
Miscellaneous Expenses	2,790.58	1,828.75
Remuneration to Auditor		
- Audit Fees	124.82	75.00
- Tax Audit Fees	30.00	25.00
- Taxation Matters	28.75	-
- Certification Fees	95.87	35.00
- Out of Pocket Expenses	6.87	7.00
	286.31	142.00
Legal & Professional Expenses	472.29	542.80
TOTAL	65,849.98	54,376.65
SCHEDULE XIII		
Staff Costs		
Salaries, Wages and Bonus	22,496.76	20,843.99
Contribution to Provident and Other Funds	1,718.80	1,572.22
Contribution to Gratuity Fund & Leave Encashment	657.29	974.95
TOTAL	24,872.85	23,391.16
SCHEDULE XIV		
Finance Charges		
Interest Expenses	205.27	90.94
Interest Income	(956.78)	(1,739.64)
(TDS Current Year ₹ 7.70 ('000) P.Y. ₹ 7.05 ('000))		
TOTAL	(751.51)	(1,648.70)

SCHEDULE TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE XV - NOTES TO ACCOUNTS

A) Significant Accounting Policies

a. Basis of Accounting

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

b. Revenue Recognition

Income from sale of goods is recognized upon transfer of significant risk and reward of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Interest income is recognized on accrual basis.

c. Fixed Assets

All fixed assets are stated at cost of acquisition, less accumulated depreciation. In the case of fixed assets acquired for new projects / expansion, interest cost on borrowings and other related expenses up to the date of commercial production incurred towards acquiring fixed assets are capitalized.

d. Depreciation

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

e. Retirement Benefits

Retirement benefit in the form of contribution to Provident Fund is charged to the Profit and Loss Account of the period when the contributions to the respective funds are due.

The company has gratuity scheme with Life Insurance Corporation of India. The premium thereof is paid in terms of the policy and charged to Profit and Loss Account. Leave encashment and other benefit are provided on the basis of actuarial valuation at the year end.

f. Inventories

Raw Materials, Stores, Spares, Consumables, Packing Material and Work-in-Progress are valued at cost. Cost is ascertained on weighted average basis. WIP is valued at direct cost plus allocated overheads at appropriate stages. Finished Goods are valued at lower of cost or net realizable value. In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods.

g. 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".

h. Taxes on Income

Provision for current tax is made, at the current rate of tax, based on assessable income computed on the basis of relevant tax rates and tax laws. Deferred tax resulting from timing differences between the book profits and the tax profits is accounted to the extent that the timing differences are expected to crystallize. Deferred tax assets are not recognized unless there is sufficient assurance with respect to reversal of the same in the future.

i. Contingent Liabilities and Provisions

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. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

j. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies, if any at year end are restated at the year end rate. Any gain or loss on account of exchange difference either on settlement or on translation is recognized in the profit & loss account.

B) Notes to the Accounts

1. Contingent Liabilities

- Disputed (net) demands for Income tax pending with various Appellate authorities ₹ 2,329.86 ('000) ((Previous year ₹ 2,329.86 ('000)).
- Disputed excise demands ₹ 1,556.10 ('000) ((Previous year ₹ 1,556.10 ('000)).
- Disputed service tax demand ₹ 2,826.10 ('000) ((Previous years ₹ 2,826.10 ('000))

2. Commitment on capital contract yet to be executed ₹ 4,981.09 ('000) ((Previous years ₹ 1,319.10 ('000))

3. Value of direct Imports on C.I.F. Basis

(₹ '000)

Particulars	2010-11	2009-10
i. Raw Materials	6,193.56	4,756.31
ii. Capital Goods	3,193.36	1,183.62
iii. Stores, Spares and Components	464.30	1,189.74
iv. Traded Goods	917.28	NIL

4. Expenditure in Foreign Currency

(₹ '000)

Particulars	2010-11	2009-10
i. Purchase of Shares of Subsidiary Companies	13,13,89.53	-
ii. Loan to Subsidiary Company	20,162.63	-
iii. Professional Fees	2,350.52	-

5. Consumption of Raw Materials

Description	2010-11		2009-10	
	Qty-Mt	₹ Lacs	Qty-Mt	₹ Lacs
Ferric Oxide	174.74	1,554.11	215.43	1,069.65
Special Ferric Oxide	1,014.73	6,852.89	839.09	2,855.20
Strontium Carbonate	190.63	6,005.51	173.50	5,255.47
Traded Goods	18.80	917.28	-	-
Others	-	800.33	-	2,376.60
TOTAL	-	16,130.12	-	11,556.92

6. Disclosure of Sundry Creditors under Current Liability is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount overdue as on 31st March 2011 to Micro, Small and Medium Enterprises on account of principle amount together with interest, aggregate to ₹ Nil Previous Year ₹ Nil.
7. 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.

8. Acquisitions

• Acquisitions:

During the year, the Company has acquired following subsidiary Companies:

Company has acquired 7,62,500 equity shares of £ 1 each and 2,500 deferred shares of £ 1 each of MMG MagDev Ltd, (UK), for ₹ 57,779.04 ('000).

Company has acquired 1,38,65,870 equity shares of ₹ 10 each of MMG India Pvt. Ltd., for ₹ 73,610.49 ('000).

9. Disclosure required by clause 32 of the Listing Agreement Amount of Loans and Advances in the nature of Loans outstanding to Subsidiaries

a) Loans and Advances in the nature of Loans

(₹ in '000)

Name of the Subsidiaries	Closing Balance		Maximum Balance outstanding during the year	
	2010-11	2009-10	2010-11	2009-10
MMG India Private Limited	-	-	3,000.00	-
MMG MagDev Limited	20,162.63	-	20,162.63	-

Notes:

- Loans and Advances shown above, to subsidiaries fall under the category of Loans and Advances in nature of Loans where there is no repayment schedule and are re-payable on demand.
- Loan to employees as per Company's policy is not considered.

b) Investment by the loanee in the share of the Company

None of the loanees and loanees of subsidiary companies has, per se, made investments in shares of the Company.

10. Details of Managerial Remuneration (To Executive Director) :

(₹ in '000)

Sr. No.	Particulars	2010-11	2009-10
i.	Salaries	2,392.00	2,489.00
ii.	Contribution to Provident and Superannuation fund	108.00	108.00
iii.	Commission to Managing Director	500.00	500.00
	TOTAL	3,000.00	3,097.00

Managerial Remuneration excludes provision for gratuity and leave encashment/availment, Since it is provided on an actuarial valuation of the company's liability to all its employees.

Computation of Net Profit u/s 198/349 of Companies Act, 1956

(₹ in '000)

Particulars	2010-11	2009-10
Profit /(Loss) before tax and Exception items	8,625.70	(1,848.17)
Add: Managerial Remuneration	3,000.00	3,097.00
	11,625.70	1,248.83
Less: Profit on Sale of Assets	-	(2,735.01)
Profit/(Loss)u/s 198/349 of the Companies Act,1956	11,625.70	(1,486.18)
5%of Net Profit as Computed above	581.28	(74.31)
Management Remuneration Paid	3,000.00	3,097.00

11. Value of imported and indigenous Raw Material, Stores, and Spares consumed.

(Figures in bracket pertain to previous year)

	Imported		Indigenous		Total	
	₹ in '000	%	₹ in '000	%	₹ in '000	%
Raw Material	6,922.79	42.92	9,207.41	57.08	16,130.20	100.00
	(4,756.31)	(41.15)	(6,800.61)	(58.85)	(11,556.92)	(100.00)
Stores, Spares and Components	464.30	2.60	17,398.73	97.40	17,863.03	100.00
	(1,189.74)	(7.75)	(14,154.90)	(92.25)	(15,344.30)	(100.00)

12. Details of licensed and installed capacity:

(Figures in bracket pertain to previous year) (As certified by the Director)

Product	Licensed Capacity (MT)	Installed Capacity (MT)	Actual Production (MT)
Hard Ferrite	3600	1800	1219.35
	(3600)	(1800)	(876.43)

Note: Licensed capacity includes the Industrial Entrepreneur's Memorandum filed with the Government and duly acknowledged under the scheme of de-licensing by the Government.

13. Details of production, turnover, stocks etc during the year.

(Figures in bracket pertain to previous year) (Qty. in 000's pcs) (₹ in '000)

	Opening Stock		Closing Stock		Turnover		Production
	Qty	₹	Qty.	₹	Qty	₹	Qty.
Hard Ferrite	114.09	347.56	645.34	3,170.19	17,899.53	137,485.75	18,430.78
	(686.53)	(3,055.72)	(114.09)	(347.56)	(16,086.27)	(101,114.71)	(15,513.83)

14. 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:

a) **Subsidiaries**

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

b) Key Management Personnel

- Capt. R Barick - Executive Director

c) Individual owning directly or indirectly interest in the voting power that gives them significant influence and their relatives:

- Mr. Jaydev Mody (JM) - Chairman
- Mrs. Zia Mody (ZM)
- Mrs. Urvi Piralal (UP) - Sister of Chairman

d) Enterprises over which Key Management Personnel/Individual or their Relatives mentioned in (b) Or (c) above exercise Significant Influence.

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

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

(₹ in '000)

Particulars	Subsidiaries		Key Management Personnel		Enterprises Over which Key Management Personnel Exercise Significant Influence		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Remuneration Paid								
Capt. R Barick	-	-	3,000.00	3,097.00	-	-	3,000.00	3,097.00
Director Sitting Fees								
JM	-	-	10.00	14.00	-	-	10.00	14.00
UP	-	-	6.00	10.00	-	-	6.00	10.00
Sales								
MMG I	128.01	-	-	-	-	-	128.01	-
Expenses								
A Z B	-	-	-	-	1,117.06	-	1,117.06	-
F R L	-	-	-	-	41.30	59.83	41.30	59.83
Loan Taken								
A A M P L	-	-	-	-	46,300.00	-	46,300.00	-
A D M P L	-	-	-	-	46,300.00	-	46,300.00	-
A T C	-	-	-	-	46,400.00	-	46,400.00	-
Loan – Received Back								
D C L	-	-	-	-	-	13,344.48	-	13,344.48
MMG – I	3,000.00	-	-	-	-	-	3,000.00	-

Particulars	Subsidiaries		Key Management Personnel		Enterprises Over which Key Management Personnel Exercise Significant Influence		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Loan Given								
MMG – I	3,000.00	-	-	-	-	-	3,000.00	-
MMG – UK	20,162.63	-	-	-	-	-	20,162.63	-
Interest Received on ICD's								
D C L	-	-	-	-	-	1,373.48	-	1,373.48
Outstanding as on 31st March								
Loan Payable								
A A M P L	-	-	-	-	43,875.00	-	43,875.00	-
A D M P L	-	-	-	-	43,000.00	-	43,000.00	-
A T C	-	-	-	-	43,000.00	-	43,000.00	-
Loan Receivable								
MMG - UK	20,162.63	-	-	-	-	-	20,162.63	-
Expenses Payable								
F R L	-	-	-	-	12.36	12.36	12.36	12.36

15. Earning Per Share (Basic and Diluted)

(₹ in '000 unless specified)

Particulars	2010-11	2009-10
Profit/(Loss) after tax for the year	8,375.80	1,309.49
Number of Equity Shares	4,860,863	4,860,863
Earning Per Share – Basic & Diluted	1.72	0.27
Nominal Value per Equity Share (₹)	10	10

16. 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, 2011 are as follows:

(₹ in '000)

Particulars	2010-11	2009-10
Deferred Tax Asset On:		
Carried forward Losses	4,821.00	3,321.00
Net Deferred Tax Asset:	4,821.00	3,321.00
Net Deferred Tax Adjustments Recognized	4,821.00	3,321.00

Deferred Tax Asset recognized on carried forwards losses on the basis of Management's reasonable certainty that sufficient future taxable income will be available. Future, sales trend for one month of FY 2010-11 also revealed that Company is likely to generate sizable amount of profit in future year.

17. Employee Benefits

Disclosure required under Accounting Standard – 15 (revised 2005) for “employee benefits” are as under:

- a. The Company has recognized the expected liability arising out of the compensated absence and Gratuity as at 31st March, 2011 based on actuarial valuation carried out using the Project Credit Method.
- b. The below disclosure have been obtained from independent actuary. The other disclosures are made in accordance with AS – 15 (revised) pertaining to the Defined Benefit Plan is as given below :

(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		(Funded)	(Funded)	(Unfunded)	(Unfunded)
		2010-11	2009-10	2010-11	2009-10
1	Assumptions :				
	Discount Rate	8.25%	8.25%	8.25%	8.25%
	Salary Escalation	5.00%	5.00%	5.00%	5.00%
2	Change in Benefit Obligation :				
	Liability at the beginning of the year	3,949.44	2,906.54	689.45	511.46
	Interest Cost	325.83	248.35	66.77	46.62
	Current Service Cost	244.03	197.86	173.72	85.74
	Past Service Cost (Non Vested Benefit)	Nil	Nil	Nil	Nil
	Past Service Cost (Vested Benefit)	Nil	Nil	Nil	Nil
	Liability Transfer in	Nil	Nil	Nil	Nil
	Liability Transfer out	Nil	Nil	Nil	Nil
	Benefit Paid	(141.35)	Nil	(107.68)	(28.99)
	Actuarial (Gain) / Loss on obligations	456.28	596.69	(292.04)	74.62
	Liability at the end of the year	4,834.22	3,949.44	530.22	689.45
3	Amount recognized in the Balance Sheet :				
	Liability at the end of the year	4,834.22	3,949.44	530.22	689.45
	Fair value of Plan Assets at the end of the year	4,003.01	3,497.09	Nil	Nil
	Difference	(831.21)	(452.34)	(530.22)	(689.45)
	Unrecognized Past Service Cost	Nil	Nil	Nil	Nil
	Unrecognized Transition Liability	Nil	Nil	Nil	Nil
	Amount recognized in the Balance Sheet	(831.21)	(452.34)	(530.22)	(689.45)

(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		(Funded)	(Funded)	(Unfunded)	(Unfunded)
		2010-11	2009-10	2010-11	2009-10
4	Expenses recognized in the Profit and Loss Account:				
	Current Service Cost	244.03	197.86	173.72	85.74
	Interest Cost	325.83	248.35	66.77	46.62
	Expected return on Plan assets	(288.51)	(257.76)	Nil	Nil
	Past Service Cost (non-vested benefit) recognized	Nil	Nil	Nil	Nil
	Past Service Cost (vested benefit) recognized	Nil	Nil	Nil	Nil
	Recognition of Transition Liability	Nil	Nil	Nil	Nil
	Actuarial (Gain) or Loss	427.49	579.29	(292.04)	74.62
	Expenses recognized in the Profit and Loss Account	708.84	767.75	(51.55)	206.98
5	Balance Sheet Reconciliation :				
	Liability as on 01.04.10	452.34	(82.04)	689.45	511.46
	Expenses as above	708.84	767.75	(51.55)	206.98
	Employer's Contribution	(329.97)	(233.36)	(107.68)	(28.99)
	Excess Provision Written Back	Nil	Nil	Nil	Nil
	Short Provision of Previous Year now Provided	Nil	Nil	Nil	Nil
	Closing Net Liability	831.21	452.34	530.22	689.45

i) Under Defined Contribution Plan

(₹ in '000)

Particular	2010-11	2009-10
Contribution to Provident Fund	678.06	559.89

18. The previous years' figures have been re-grouped/re-arranged/reclassified/recast wherever necessary to confirm to this year's classification.

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI TO THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS:

Registration No.: 0 2 8 2 8 0 State Code: 1 1
 Balance Sheet Date: 3 1 0 3 2 0 1 1
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR: (Amount ₹ in Thousands)

Public Issue: N I L Right Issue: N I L
 Bonus Issue: N I L Private Placement: N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Amount ₹ in Thousands)

Total Liabilities 3 7 1 4 4 3 . 6 4 Total Assets : 3 7 1 4 4 3 . 6 4

SOURCE OF FUNDS:

Paid -Up Capital: 4 8 6 0 8 . 6 3 Reserves & Surplus: 1 7 0 9 1 2 . 7 9
 Equity Share Warrants: N I L Deferred Tax Liability: N I L
 Secured Loans: 2 1 6 4 9 . 8 3 Unsecured Loans: 1 3 0 2 7 2 . 3 9

APPLICATION OF FUNDS:

Net Fixed Assets: 1 6 9 1 8 2 . 5 2 Investments: 1 3 9 7 9 4 . 6 5
 Net Current Assets: 5 7 6 4 5 . 4 7 Misc. Expenditure: N I L
 Accumulated Losses: N I L Deferred Tax Assets: 4 8 2 1 . 0 0

IV. PERFORMANCE OF THE COMPANY: (Amount ₹ in Thousands)

Turnover/Other Income: 1 2 5 9 4 0 . 9 5 Total Expenditure: 1 1 7 4 1 8 . 9 3
 Earlier Year adjustment: N I L Balance Brought Forward: - 8 7 7 5 9 . 2 9
 Profit/Loss before Tax: 8 6 2 5 . 7 0 Profit/Loss after Tax: 8 3 7 5 . 8 0
 Earnings per share (₹): 1 . 7 2 Dividend Rate (%): N I L

V. GENERIC NAME OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY: (As per Monetary Terms)

Product Description Hard Ferrites Item Code No. 8 5 0 5 0 5

For Delta Magnets Limited

Jaydev Mody Director	Mahesh Gupta Director	Urvi Piramal Director
Capt. R Barick Director	Javed Tapia Director	Rajesh Jaggi Director
Ambika Kothari Director	Dr. Vrajesh Udani Director	Snehal Oak Company Secretary

Mumbai: 2nd May, 2011

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 Private Limited	INR	138,658.70	(53,380.95)	15,646.41	100,924.16	-	145,965.54	6,436.82	-	6,436.82	-	India
2.	MMG Magdev Limited	GBP	765.00	88.62	1,180.00	2,033.62	-	3541.00	357.62	-	357.62	-	UK
		INR	55,025.61	6,374.34	84,876.10	146,276.05	-	260,574.05	26,316.47	-	26316.47	-	

* Exchange rate as on 31.03.2011 1 GBP = Closing Rate ₹ 71.9289 Average Rate ₹ 73.5877

AUDITORS' REPORT

To The Board of Directors of Delta Magnets Ltd. on the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Delta Magnets Ltd. ("the Company") and its Subsidiaries (collectively referred to as "the group") as at 31st March, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one of foreign subsidiary whose financial statement reflect total net assets of ₹ 1,462.76 Lacs as at 31st March, 2011, total net revenues of ₹ 2,605.74 Lacs and net cash inflows of ₹ 214.29 Lacs for the year then ended were reviewed by other auditors who have furnished their report to us. We have not reviewed the financial statements of the said subsidiary and our opinion is based solely on the report of the auditors.
4. 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", Accounting Standards (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Delta Magnets Ltd. and its subsidiaries.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached 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 Group as at 31st March, 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

(Amit Desai)
Proprietor

M.No. 032926

Mumbai: 2nd May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in '000)

Particulars	Schedule No.	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	48,608.63	48,608.63
Reserves and Surplus	II	193,495.40	163,150.71
Loan Funds			
Secured Loans	III	51,572.25	-
Unsecured Loans	IV	130,272.39	967.32
	TOTAL	423,948.67	212,726.65
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	V	863,805.79	450,298.71
Less: Depreciation		601,893.66	282,560.51
Net Block		261,912.13	167,738.20
Capital Work in Process include Capital Advance		813.53	2,301.75
		262,725.66	170,039.95
Goodwill		17,452.41	-
Deferred Tax Asset (Net)		4,821.00	3,321.00
Current Assets, Loans and Advances			
Inventories	VI	59,400.17	13,659.69
Sundry Debtors		77,959.92	18,088.82
Cash and Bank Balances		39,730.16	3,199.92
Loans and Advances		26,568.50	22,324.57
		203,658.75	57,273.00
Current Liabilities and Provisions			
Current Liabilities	VII	58,166.38	16,765.50
Provisions		6,542.77	1,141.79
		64,709.15	17,907.29
Net Current Assets		138,949.60	39,365.70
	TOTAL	423,948.67	212,726.65
Significant Accounting Policies and Notes forming Part of the Accounts	XIV		

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in '000)

Particulars	Schedule No.	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Gross Sales		377,837.24	101,114.71
Less: Excise Duty		14,396.61	7,925.19
Net Sales		363,440.63	93,189.52
Increase/ (Decrease) in Stock of Finished Goods & Process Stocks	VIII	3,424.51	2,851.54
Other Income	IX	2,574.17	3,419.85
		369,439.31	99,460.91
EXPENDITURE			
Materials Consumed	X	124,403.21	11,556.92
Manufacturing and Other Expenses	XI	111,891.91	54,321.90
Staff Costs	XII	79,776.56	23,391.16
		316,071.67	89,269.98
Profit/(Loss) Before Interest, Depreciation and Tax		53,367.64	10,190.93
Finance Charges	XIII	486.89	(1,593.95)
Depreciation	V	22,297.30	14,246.77
Less: Transfer from Revaluation Reserve		613.72	613.72
		21,683.57	13,633.05
Profit/(Loss) Before Tax		31,197.17	(1,848.17)
Prior Period Items		(95.06)	(163.34)
		31,102.11	(2,011.51)
Provision for Taxation			
MAT Tax		(1,646.21)	-
Deferred Tax		1,500.00	3,321.00
Profit/(Loss) After Tax		30,955.90	1,309.49
Balance Brought Forward		(87,759.29)	(89,068.78)
Balance Carried Forward		(56,803.39)	(87,759.29)
Earning per Share Basic and Diluted (₹) (Face Value of ₹ 10/-)		6.37	0.27
Significant Accounting Policies and Notes Forming Part of the Accounts	XIV		

As Per Our Report of Even Date

For Amit Desai & Co
Chartered Accountants
Firm's Registration No. 130710W(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
DirectorCapt. R Barick
DirectorAmbika Kothari
DirectorMahesh Gupta
DirectorJaved Tapia
DirectorDr. Vrajesh Udani
DirectorUrvi Piramal
DirectorRajesh Jaggi
DirectorSnehal Oak
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2011

(₹ in '000)

Sr. No.	Particulars	Year Ended 31st March, 2011	Year Ended 31st March, 2010
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before Tax and Extraordinary items	31,102.11	(2,011.51)
	Adjustment for:-		
	Depreciation	21,683.57	13,633.05
	Loss / (Profit) on Sale of Assets	-	(2,735.01)
	Employee Benefits	3,784.24	712.60
	Interest Paid	1,586.69	90.94
	Interest Income	(1,099.79)	(1,739.64)
	Operating Profit Before Working Capital Changes	25,954.70	9,961.94
	Adjustment for:		
	Trade and Other Receivables	(62,990.39)	(2,521.20)
	Inventories	(45,740.48)	(953.01)
	Trade Payables	43,017.62	2,273.46
	Taxes Paid	(2,770.86)	(27.91)
	Exchange Rate Difference	71.96	(163.34)
	Net Cash Flow from Operating Activities	(68,412.15)	(1,392.00)
		(11,355.33)	6,721.77
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(117,459.82)	(9,503.54)
	Purchase Capital Work in Progress	1,488.22	-
	Purchase Intangible Assets	(17,452.41)	-
	Sale of Fixed Assets	919.15	3,547.25
	Interest income	1,099.79	1,739.64
	Net Cash Used in Investing Activities	(131,405.07)	(4,216.64)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	(1,586.69)	(90.94)
	Proceeding From Long Term Borrowing	51,572.25	(1,477.91)
	Proceeding From Short Term Borrowing	129,305.07	(951.85)
	Net Cash Used In Financing Activities	179,290.63	(2,520.70)
	Net Changes In Cash And Cash Equivalents (A+B+C)	36,530.24	(15.57)
	Cash And Cash Equivalents at the beginning of year	3,199.92	3,215.49
	Cash And Cash Equivalents at the end of year	39,730.16	3,199.92

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 ICAI.
- 2) Previous year's figures have been regrouped or rearranged wherever necessary to confirm the current year's classification.

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

CONSOLIDATED SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in '000)

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE I		
Share Capital		
Authorised		
50,00,000 Equity Shares of ₹ 10/- each	50,000.00	50,000.00
50,00,000 Unclassified Shares of ₹ 10/- each	50,000.00	50,000.00
TOTAL	<u>100,000.00</u>	<u>100,000.00</u>
Issued, Subscribed and Paid up		
48,60,863 Equity Shares of ₹ 10/- each fully paid up	48,608.63	48,608.63
TOTAL	<u>48,608.63</u>	<u>48,608.63</u>
SCHEDULE II		
Reserves And Surplus		
Revaluation Reserves	131,799.11	132,412.83
Less :- Depreciation on Revalued Assets	613.72	613.72
	<u>131,185.39</u>	<u>131,799.11</u>
Debit Balance in Profit & Loss Account	(87,759.29)	(89,068.78)
Add:- Profit /(Loss) During the Year	30,955.90	1,309.49
	<u>(56,803.39)</u>	<u>(87,759.29)</u>
Capital Reserves	3,504.25	3,504.25
Security Premium Account	76,531.45	76,531.45
General Reserve	39,075.19	39,075.19
Foreign Currency Translation Reserve	2.52	-
TOTAL	<u>193,495.40</u>	<u>163,150.71</u>
SCHEDULE III		
Secured Loans		
Loan from a Bank		
Term Loan - I		
(First Charge on Entire fixed assets of the Company present and future by way of hypothecation of plant & machinery and equitable mortgage of land & building located at Ambad, Nashik)	21,649.83	-
Term Loan - II		
(First Charge on Entire Building in Swindon, United Kingdom)	29,922.42	-
TOTAL	<u>51,572.25</u>	<u>-</u>
SCHEDULE IV		
Unsecured Loans		
Inter Corporate Deposit	129,875.00	-
Sales Tax Deferral Loan		
(Repayable with in next year ₹ 274.22 ('000) P.Y. 569.93 ('000)		
(Paid during the year ₹ 569.93 ('000) P.Y. 951.84 ('000)	397.39	967.32
TOTAL	<u>130,272.39</u>	<u>967.32</u>

SCHEDULE V
Fixed Assets & Depreciation

(₹ in '000)

Description	GROSS BLOCK				DEPRECIATION						NET BLOCK		
	As at 01.04.2010	Acquisition	Additions	Deduction	As at 31.03.2011	As at 01.04.2010	Acquisition	Additions	Revaluation	Deduction	Exchange Rate Difference	As at 31.03.2011	As at 31.03.2010
Land	114,558.00	10,945.43	-	-	125,503.43	-	-	-	-	-	-	125,503.43	114,558.00
Lease Hold Building	-	4,315.73	-	-	4,315.73	-	2,027.43	2,099.49	-	-	44.96	143.86	-
Factory Building	42,874.03	28,181.40	-	-	71,055.43	13,974.99	9,276.71	1,540.62	613.72	-	-	45,649.39	28,899.04
Office Building	1,383.57	-	49,774.80	-	51,158.37	253.49	-	22.55	-	-	-	50,882.33	1,130.08
Plant & Machineries	274,868.13	303,717.95	10,872.16	14,553.94	574,904.30	255,606.48	287,190.43	16,448.26	-	13,634.79	24.49	29,269.43	19,261.65
Equipments	11,319.08	5,654.06	3,021.51	-	19,994.65	8,873.34	3,954.66	907.01	-	-	-	6,259.64	2,445.74
Furniture and Fixtures	3,663.28	5,489.78	136.06	-	9,289.11	3,379.12	3,540.45	347.69	-	-	-	2,021.85	284.16
Vehicles	1,632.61	612.20	-	-	2,244.81	473.08	272.07	235.43	-	-	-	1,264.23	1,159.53
Computers	-	4,419.53	920.42	-	5,339.96	-	4,339.46	82.53	-	-	-	917.97	-
TOTAL	450,298.71	363,336.09	64,724.94	14,553.94	863,805.79	282,560.51	310,601.21	21,683.57	613.72	13,634.79	69.44	261,912.13	167,738.20
Previous Year	444,135.20	-	7,865.93	1,702.42	450,298.71	269,203.91	-	13,633.05	613.72	890.18	-	167,738.20	174,931.29

Note :

The Plant & Machinery Includes certain item which is fully written off in books of account though the items are still physically installed in the factory. The said items are used and reconditioning is made when ever necessary.

Particulars	(₹ in '000)	
	As at 31.03.2011	As at 31.03.2010
SCHEDULE VI		
Current Assets, Loans And Advances		
Inventories		
(As taken, valued and certified by the Management)		
Raw Materials	4,236.46	237.88
Work -in-Progress	11,432.93	9,782.02
Finished Goods	36,974.15	347.56
Stores, Spares, Consumables and Packing Materials	6,683.12	3,292.23
Loose Tools	73.51	-
	<u>59,400.17</u>	<u>13,659.69</u>
Sundry Debtors		
(Unsecured, Considered Good Unless Otherwise Stated)		
Over Six Months - Considered Doubtful	38,709.80	218.06
Less : Provision for Doubtful Debts	(1,959.70)	(218.06)
Others	41,209.82	18,088.82
	<u>77,959.92</u>	<u>18,088.82</u>
Cash and Bank Balances		
Cash on hand	139.07	13.07
With Scheduled Banks		
In Current Account	8,490.22	154.30
In Deposit Account	9,737.99	3,032.55
(Interest accrued and due ₹ 64.99 ('000) P.Y. ₹ 32.55 ('000))		
With Foreign Banks		
In Current Account	21,362.88	-
	<u>39,730.16</u>	<u>3,199.92</u>
Other Current Assets		
Interest Receivable	669.17	62.92
Other Receivable	11,215.20	3,273.38
Other Inter Corporate Deposits	-	11,100.00
Advances Recoverable in Cash or in Kind or for Value to be Received	7,070.28	3,252.03
Advance Tax (Net of Provisions)	2,687.64	1,563.00
Deposits		
With Public Bodies	4,879.25	3,018.24
With Others	46.96	55.00
	<u>26,568.50</u>	<u>22,324.57</u>
TOTAL	<u>203,658.75</u>	<u>57,273.00</u>

(₹ in '000)

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE VII		
Current Liabilities And Provisions		
Current Liabilities		
Sundry Creditors - Others	29,956.72	8,250.89
Sundry Creditors - Micro, Small and Medium Enterprises	-	-
Advance Received from Customers	3,926.74	4,031.71
Bank Overdraft	3,236.80	-
Other Liabilities	21,046.13	4,482.90
	<u>58,166.38</u>	<u>16,765.50</u>
Provisions		
Employee Benefits	6,542.77	1,141.79
TOTAL	<u>64,709.15</u>	<u>17,907.29</u>

Note:- Other liabilities include ₹ 3,239.89 ('000) (P.Y. ₹ 133.64 ('000) Cash Credit facility taken from bank against first Charge on current assets of the Company.

**CONSOLIDATED SCHEDULE FORMING PART OF
PROFIT & LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2011**

(₹ in '000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE VIII		
Increase / (Decrease) in Stock of Finished Goods and Work - in - Progress		
Stocks At the End		
Finished Goods	36,974.14	347.56
Work-in-Progress	11,432.93	9,782.02
	<u>48,407.07</u>	<u>10,129.58</u>
Stocks At the Beginning		
Finished Goods	347.56	3,055.72
Finished Goods Acquired During the Year	32,116.85	-
Work-in-Progress	9,782.02	4,222.32
Work-in-Progress Acquired During the Year	2,736.13	-
	<u>44,982.56</u>	<u>7,278.04</u>
TOTAL	<u>3,424.51</u>	<u>2,851.54</u>
SCHEDULE IX		
Other Income		
Other Operations Income	2,184.45	525.72
Miscellaneous Income	389.72	2,894.13
TOTAL	<u>2,574.17</u>	<u>3,419.85</u>
SCHEDULE X		
Materials Consumed		
Opening Stocks	237.88	934.78
Acquired During the Year	3,868.08	-
Add : Purchases	45,126.02	10,860.02
	<u>49,231.98</u>	<u>11,794.80</u>
Less : Closing Stocks	4,236.46	237.88
Add : Cost of Goods Traded	79,407.69	-
TOTAL	<u>124,403.21</u>	<u>11,556.92</u>

(₹ in '000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE XI		
Manufacturing and Other Expenses		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	23,867.12	15,344.30
Power and Fuel	46,681.93	30,500.69
Rent, Rates, and Taxes	7,714.30	445.46
Repairs and Maintenance		
- Plant & Machinery	3,294.19	1146.36
- Building	299.79	99.11
- Others	2,403.46	956.22
	5,997.43	2,201.69
Excise duty variation on Opening / Closing Stock	1,047.65	12.92
Insurance Charges	1,938.71	158.60
Travelling Expenses	5,426.98	362.84
Freight Charges	4,527.46	2,754.61
Directors' Sitting Fees	72.00	82.00
Selling and Distribution Expenses	2,226.67	-
Foreign Exchange Rate (Gain)/Loss	2,002.58	-
Miscellaneous Expenses	9,031.38	1,774.00
Remuneration to Auditor		
- Audit Fees	465.06	75.00
- Tax Audit Fees	130.00	25.00
- Taxation Matters	124.62	-
- Certification Fees	-	35.00
- Out of Pocket expenses	58.11	7.00
	777.79	142.00
Legal & Professional Expenses	579.91	542.80
	TOTAL	TOTAL
	111,891.91	54,321.90
SCHEDULE XII		
Staff Cost		
Salaries, Wages and Bonus	69,892.81	20,843.99
Contribution to Provident and Other Funds	6,099.51	1,572.22
Contribution to Gratuity Fund & Leave Encashment	3,784.24	974.95
	TOTAL	TOTAL
	79,776.56	23,391.16
SCHEDULE XIII		
Finance Charges		
Interest Expenses	666.35	90.94
Other Charges	920.33	54.75
	1,586.69	145.69
Less:		
Interest Income	1,099.79	1,739.64
(TDS Current Year ₹ 94.81 ('000) P.Y. ₹ 149.55 ('000)		
	TOTAL	TOTAL
	486.89	(1,593.95)

SCHEDULE XIV

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

I. Statement of Significant Accounting Policies

a) Basis of Accounting

The consolidated financial statements have been prepared and presented on the accrual basis of accounting principles in India ("GAAP") and comply with accounting standard prescribed in Companies (Accounting Standards) Rules, 2006 to the extent applicable.

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 cost 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 of the date of the disposal is recognized in the consolidated statement of Profit and Loss account.
- v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

c) Revenue Recognition

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

d) Fixed Assets

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

Capital Work-In-Progress

Expenses incurred for acquisition of Capital assets along with advances towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed under Capital Work-in-Progress.

e) Depreciation

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

f) Inventories

Raw Materials, Stores, Spares, Consumables, Packing Material, and Work-in-Progress are valued at cost. Cost is ascertained on weighted average basis. WIP is valued at direct cost plus allocated overheads at appropriate stages. Finished Goods are valued at lower of cost or net realizable value. In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods.

g) Employee Benefits

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

h) Foreign Currency Transactions

- a) Foreign exchange transactions are recorded at the closing rate prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account.
- b) Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the profit and loss account.
- c) 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
- d) 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 period 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 period.

a) Current Tax

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

b) **Deferred Tax**

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

k) **Impairment of Assets**

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

l) **Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

m) **Operating Leases**

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

n) **Preliminary Expenditure**

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

II. Notes to the Accounts

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

b) **Contingent Liabilities and Capital Commitment**

(i) Claims against the Company not acknowledged as debts:

- a. Disputed (net) demands for Income tax pending with various Appellate authorities ₹ 2,329.86 ('000) ((Previous year ₹ 2,329.86 ('000)).
- b. Disputed excise demands ₹ 1,556.10 ('000) ((Previous year ₹ 1,556.10 ('000)).
- c. Disputed service tax demand ₹ 2,826.10 ('000) ((Previous year ₹ 2,826.10 ('000))
- d. Disputed excise demands ₹ 2,529.77 ('000). (Previous year ₹ Nil)

e. Disputed ESIC demands ₹ 89.69 ('000) (Previous year ₹ Nil)

f. Disputed Sales Tax demands ₹ 224.82 ('000) (Previous year ₹ Nil)

g. Outstanding Bank Guarantee ₹ 173.00 ('000) (Previous year ₹ Nil)

(ii) Commitment on capital contract yet to be executed ₹ 4,981.09 ('000) ((Previous year ₹ 1,319.10 ('000))

c) The Subsidiary Companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of Voting Right as on 31st March,	
		2011	2010
MMG MagDev Limited (From 30.06.2010)	UK	100.00	-
MMG India Pvt. Limited (From 30.06.2010)	India	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 Information' (AS-17) notified by the Company's (Accounting Standard) Rule, 2006.

e) Employee Benefits

Disclosure required as per AS – 15 are as under:

i) The Company has recognized the expected liability arising out of the compensated absence and gratuity as at 31st March, 2011 based on actuarial valuation carried out using the Project Credit Method.

ii) The below disclosure have been obtained from independent actuary. The other disclosures are made in accordance with AS – 15 (revised) pertaining to the Defined Benefit Plan is as given below :

(₹ In '000)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2010-11	2009-10	2010-11	2009-10
1	Assumptions :				
	Discount Rate	8.25%	8.25%	8.25%	8.25%
	Salary Escalation	5.00%	5.00%	5.00%	5.00%
2	Change in Benefit Obligation :				
	Liability at the beginning of the year	3,949.44	2,906.54	2,245.61	511.46
	Interest Cost	325.83	248.35	66.77	46.62
	Current Service Cost	2,577.32	197.86	815.44	85.74
	Past Service Cost (Non Vested Benefit)	Nil	Nil	Nil	Nil
	Past Service Cost (Vested Benefit)	Nil	Nil	Nil	Nil
	Liability Transfer in	5,623.16	Nil	Nil	Nil

(₹ In '000)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2010-11	2009-10	2010-11	2009-10
	Liability Transfer out	Nil	Nil	Nil	Nil
	Benefit Paid	(1,001.92)	Nil	(752.16)	(28.99)
	Actuarial (Gain) / Loss on obligations	456.28	596.69	(292.04)	74.62
	Liability at the end of the year	11,930.10	3,949.44	2,083.62	689.45
3	Amount recognized in the Balance Sheet :				
	Liability at the end of the year	11,930.10	3,949.44	2,083.62	689.45
	Fair value of Plan Assets at the end of the year	7,470.96	3,497.09		Nil
	Difference	(4,459.14)	(452.34)	(2,083.62)	(689.45)
	Unrecognized Past Service Cost	Nil	Nil	Nil	Nil
	Unrecognized Transition Liability	Nil	Nil	Nil	Nil
	Amount recognized in the Balance Sheet	(4,459.14)	(452.34)	(2,083.62)	(689.45)
4	Expenses recognized in the Profit and Loss Account:				
	Current Service Cost	2,577.32	197.86	815.44	85.74
	Interest Cost	325.83	248.35	66.77	46.62
	Expected return on Plan assets	(702.36)	(257.76)	Nil	Nil
	Past Service Cost (non-vested benefit) recognized	Nil	Nil	Nil	Nil
	Past Service Cost (vested benefit) recognized	Nil	Nil	Nil	Nil
	Recognition of Transition Liability	Nil	Nil	Nil	Nil
	Actuarial (Gain) or Loss	427.49	579.29	(292.04)	74.62
	Expenses recognized in the Profit and Loss Account	2,628.29	767.75	590.17	206.98
5	Balance Sheet Reconciliation :				
	Liability as on 01.04.10	452.34	(82.04)	2,245.61	511.46
	Liability Transfer in	2,569.05	Nil	Nil	Nil
	Expenses as above	2,628.29	767.75	590.17	206.98
	Employer's Contribution	(1,190.54)	(233.36)	(752.16)	(28.99)
	Excess Provision Written Back	Nil	Nil	Nil	Nil
	Short Provision of Previous Year now Provided	Nil	Nil	Nil	Nil
	Closing Net Liability	4,459.14	452.34	2,083.26	689.45

iii) Under Defined Contribution Plan:

(₹ In '000)

Particular	2010-11	2009-10
Contribution to Provident Fund	3,778.75	559.90

f) Related Party Disclosures

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

(i) Individuals owning directly or indirectly an Interest in the voting power that gives them significant influence and their relatives:

- Mr. Jaydev Mody (JM) – Chairman
- Mrs. Zia Mody (ZM)
- Mrs. Urvi Piramal (UP) - Sister of Chairman

(ii) Key Management Personnels:

- Mr. Capt. Ratnakar B Barick – Executive Director

(iii) Enterprises over which Key Management Personal / Individual or their Relatives mentioned in (i) and (ii) above exercise significant influence:

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

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

(₹ In '000)

Particulars	Key Management Personnel / individual owning directly or indirectly interest in voting power		Enterprises Over which individual / Key Management Personnel Exercise Significant Influence		Total	
	2011	2010	2011	2010	2011	2010
Remuneration Paid						
Capt. R Barick	3,000.00	3,097.00	-	-	3,000.00	3,097.00
Director Sitting Fees						
JM	10.00	14.00	-	-	10.00	14.00
UP	6.00	10.00	-	-	6.00	10.00
Expenses						
A Z B	-	-	1,117.06	-	1,117.06	-
F R L	-	-	41.30	59.83	41.30	59.83

(₹ In '000)

Particulars	Key Management Personnel / individual owning directly or indirectly interest in voting power		Enterprises Over which individual / Key Management Personnel Exercise Significant Influence		Total	
	2011	2010	2011	2010	2011	2010
Loan Received						
A A M P L	-	-	46,300.00	-	46,300.00	-
A D M P L	-	-	46,300.00	-	46,300.00	-
A T C	-	-	46,400.00	-	46,400.00	-
Loan – Received Back						
D C L	-	-	-	13,344.48	-	13,344.48
Interest Received on ICD's						
D C L	-	-	-	1,373.48	-	1,373.48
Outstanding as on 31st March						
Loan Payable						
A A M P L	-	-	43,875.00	-	43,875.00	-
A D M P L	-	-	43,000.00	-	43,000.00	-
A T C	-	-	43,000.00	-	43,000.00	-
Expenses Payable						
F R L	-	-	12.36	12.36	12.36	12.36

g) Deferred Tax

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

Deferred Tax Asset recognized on carried forwards losses is on the basis of Management’s view of reasonable certainty of availability sufficient future taxable income. Future sales trend for first one months of FY 10-11 also revealed that Company is likely to generate sizeable amount of profit in future years.

The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on March 31, 2011 are as follows:

(₹ In '000)

Particulars		2010-11	2009-10
Deferred Tax Liability On:			
Difference between book value and tax WDV of Fixed Asset		6,102.49	-
Total Deferred Tax Liability:	(A)	6,102.49	-
Deferred Tax Asset On:			
Carried forward Losses		10,923.49	3,321.00
Total Deferred Tax Asset:	(B)	10,923.49	3,321.00
Net Deferred Tax (Assets) / Liability	(A-B)	(4,821.00)	(3,321.00)

h) Earnings Per Share

(₹ in '000 unless specified)

Particulars	2010-11	2009-10
Profit/(Loss) after tax for the year	30,955.90	1,309.00
Number of Equity Shares	48,60,863	48,60,863
Basic & Diluted Earnings Per Share	6.37	0.27
Nominal Value per Equity Share (₹)	10	10

i) Particulars in regard to bank balances with non-scheduled bank:

(₹ in '000)

Particulars	Maximum Balance at any time during the period		Balance as on	
	2010-11	2009-10	31.03.11	31.03.10
In Current Account				
Barclays Bank PLC, London	2,13,197.00	N/A	21,362.88	N/A

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

• Operating Lease Expenses Disclosure:

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

The Company has non cancelable operating expenses for leasing of assets.

(₹ in '000)

	2010-11	2009-10
Up to 1 Year	1,766	N/A
1 Year to 5 Year	2,502	N/A
above 5 Year	NIL	N/A
TOTAL	4,268	N/A

k) Previous Year Comparatives

The previous year's figures have been reworked, regrouped, rearranged, recast and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. The figures for the current year are not strictly comparable with the corresponding previous year as current year figures includes results for two subsidiaries acquired during the Financial Year 2010-11.

As Per Our Report of Even Date

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

(Amit Desai)
Proprietor

Mumbai: 2nd May, 2011

For Delta Magnets Limited

Jaydev Mody
Director

Capt. R Barick
Director

Ambika Kothari
Director

Mahesh Gupta
Director

Javed Tapia
Director

Dr. Vrajesh Udani
Director

Urvi Piramal
Director

Rajesh Jaggi
Director

Snehal Oak
Company Secretary

ATTENDANCE SLIP



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

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

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company held on **Thursday, 29th September, 2011, at 2.30 p.m.**, at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra.

Name and Address of the Shareholder(s)

If Shareholder(s), please sign here

If Proxy, please mention name and sign here

Signature _____

Name & Signature _____

FORM OF PROXY



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

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

DP ID No. *

L. F. No.

Client ID No.*

No. of shares held

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

of..... or failing him/her

of..... as my/our proxy/proxies to vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on **Thursday, 29th September, 2011, at 2.30 p.m.**, at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra, and at any adjournment thereof.

Dated this day of2011.

Signature

Affix a
15 paise
Revenue
Stamp

Notes :

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

* Applicable for Investors holding shares in electronic form.

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