

MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR

BALANCE SHEET AS AT 31.03.2021

Figures are in Rs.

S. N	PARTICULARS	NOT E NO.	As at 31.03.2021	As at 31.03.2020
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) Share Capital	2	48,435,000.00	48,435,000.00
	(b) Reserve and Surplus	3	315,889,518.04	230,203,001.88
	TOTAL(1)		364,324,518.04	278,638,001.88
2	<u>SHARE APPLICATION MONEY PENDING FOR ALLOTMENT</u>			
3	<u>NON-CURRENT LIABILITIES</u>			
	(a) Long term Borrowings	4	18,952,902.00	14,854,135.00
	(b) Other term liabilities	5	28,768,684.77	60,571,807.77
	TOTAL(3)		47,721,586.77	75,425,942.77
4	<u>CURRENT LIABILITIES</u>			
	(a) Short term borrowings		-	-
	(b) Trade payables	6	277,460,806.05	202,921,732.24
	(c) Other Current Liabilities	7	21,692,025.14	33,835,577.41
	(d) Short term provisions	8	34,475,977.23	53,151,852.00
	TOTAL(4)		333,628,808.42	289,909,161.65
	TOTAL(1+2+3+4)		745,674,913.23	643,973,106.30
II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	(a) <u>FIXED ASSETS</u>			
	(i) Tangible Assets	9	415,202,922.64	313,554,333.35
	(ii) Intangible Assets		-	-
	(b) Deferred tax Assets (Net)		16,488,396.00	7,833,930.10
	(c) Long term loans and Advances	10	24,729,423.63	25,703,361.00
	(d) Investments	11	270,285.00	270,285.00
	TOTAL (1)		456,691,027.27	347,361,909.45
2	<u>CURRENT ASSETS</u>			
	(a) Inventories	12	163,442,624.66	109,345,105.45
	(b) Trade receivables	13	61,570,764.72	80,198,820.49
	(c) Cash and cash equivalents	14	6,326,867.09	29,385,062.79
	(d) Short term loans and advances	15	57,643,629.49	77,682,208.12
	TOTAL(2)		288,983,885.96	296,611,196.85
	TOTAL(1+2)		745,674,913.23	643,973,106.30

Accompanying notes form an integral part of the Financial Statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Arpit
Arpit Rajvanshi
DIN:00242388

Director

Place : Muzaffarnagar

Dated :22.09.2021

Agam
Agam Rajvanshi
DIN:02493750

Director

(0.00)

As per our report of even date
For M. MOHAN RAMA & CO.,
CHARTERED ACCOUNTANTS
(ICAI Registration No. 007656C)

Man Mohan Singh
(CA MAN MOHAN SINGH)
FCA, PARTNER
Membership No.076711
UDIN: 21076711AAAAJA1923



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31.03.2021

Figures are in Rs.

S. N	PARTICULARS	NOTE NO.	As at 31.03.2021	As at 31.03.2020
	REVENUE FROM OPERATIONS			
I	Revenue from Operations	16	1,655,227,715.75	1,385,788,515.00
II	Other Income	17	1,889,477.86	375,721.33
III	TOTAL REVENUE(I+II)		1,657,117,193.61	1,386,164,236.33
IV	EXPENSES:			
a	Cost of Raw Materials Consumed	18	1,152,860,710.77	820,376,240.63
b	Manufactuirng Expenses	19	175,281,608.23	162,144,308.93
c	Increase (Decrease) in Stock	20	(20,601,130.38)	(20,912,522.00)
d	Employee Benefits Expenses	21	141,347,990.00	82,302,832.80
e	Finance Cost	22	5,067,303.66	8,172,428.10
f	Depreciation and amortzation	9	51,325,875.07	38,769,912.05
g	Adm.& Selling Expenses	23	61,446,280.00	70,346,335.85
	TOTAL EXPENSES		1,566,728,637.35	1,161,199,536.36
V	PROFIT BEFORE TAX		90,388,556.26	224,964,699.97
VI	TAX EXPENSE			
a	Current Tax		13,356,506.00	39,305,833.00
b	Earlier years		-	-
c	Deferred Tax Liabilities /(assets)		(8,654,465.90)	(951,618.10)
VII	PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		85,686,516.16	186,610,485.07
VIII	PROFIT (LOSS) FOR THE PERIOD (XI+XIV)		85,686,516.16	186,610,485.07
IX	EARNING PER EQUITY SHARE			
a	No. of Equity shares of face value of Rs.10.00 each		4,843,500	4,843,500
	Basic and Dulted		17.69	38.53

Accompanying notes form an integral part of the Financial Statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Arpit Rajvanshi

DIN:00242388

Director

Place : Muzaffarnagar

Dated :22.09.2021


Agam Rajvanshi

DIN:02493750

Director

As per our report of even date
For M. MOHAN RAMA & CO.,
CHARTERED ACCOUNTANTS
(ICAI Registration No. 007656C)



(CA MAN MOHAN SINGH)

FCA, PARTNER

Membership No.076711

UDIN: 21076711AAAAJA1923



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR
CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31.03.2021

Figures are in Rs.

	Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
A.	CASH FLOW FROM OPERATION ACTIVITIES:		
	Net Profit/(loss) before tax and extraordinary	90,388,556	224,964,700
	Adjustments for:		
	Add: Depreciation	51,325,875	38,769,912
	Add: Finance Charges	5,067,304	8,172,428
	Operating Profit/ (Loss)before working capita	146,781,735	271,907,040
	Adjustments for:		
	Less: Inventories	54,097,519	40,322,273
	Less: Sundry Debtors	(18,628,056)	14,576,202
	Less: Others current assets	(12,358,050)	76,449,210
		123,670,322	140,559,354
	Add: Trade Payables & Other Liabilities	11,916,524	77,847,477
	Cash generated from operations before tax	135,586,845	218,406,831
	Less: Finance Charges	5,067,304	8,172,428
	Less: Income Tax	4,702,040	38,354,215
	Net Cash from operating activities	125,817,502	171,880,188
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Less: Additions in Fixed Assets	152,974,464	142,593,357
	Less: Additions in Investment	-	(99,995)
	Net Cash used in Investing activities	(27,156,963)	29,386,827
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Add: Equity Share Capital (including share application Money)	-	-
	Add: Securities Premium	-	-
	Add: From Capital Reserve	-	-
	Add: Proceeds from Borrowings	17,046,790	-
	Less: Repayment of Borrowings	12,948,023	10,449,431
	Net Cash used in Financial Activities	(23,058,196)	18,937,396
	Opening Cash and Cash equivalents	29,385,063	10,447,667
	Closing Cash and Cash equivalents	6,326,867	29,385,063

Accompanying notes form an integral part of the Financial Statements.

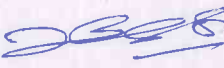
FOR AND ON BEHALF OF THE BOARD OF DIRECTOR As per our report of even date


Arpit Rajvanshi
DIN:00242388
Director

Place : Muzaffarnagar
Dated :22.09.2021


Agam Rajvanshi
DIN:02493750
Director

For M. MOHAN RAMA & CO.,
CHARTERED ACCOUNTANTS
(ICAI Registration No. 007656C)


(CA MAN MOHAN SINGH)
FCA, PARTNER
Membership No.076711
UDIN: 21076711AAAAJA1923



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2021

Figures are in Rs.

NO	S. NO	PARTICULARS	As at 31.03.2021	As at 31.03.2020
2		<u>SHARE CAPITAL:</u>		
		<u>AUTHORISED:</u>		
		50,00,000 (Last year 50,00,000) Equity shares of Rs. 10.00 each	5,00,00,000	5,00,00,000
		<u>ISSUED, SUBSCRIBED& PAID UP</u>		
		Shares at the beging of the accounting year		
		4843500 (L.Y.4843500) Equity shares of Rs.10.00 each.	4,84,35,000	4,84,35,000
		Additions during the year	-	-
		4843500(L.Y.4843500) Equity shares of Rs.10.00 each	4,84,35,000	4,84,35,000
		The company has only equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend is not proposed by the Board of Directors so there is no approval of shareholders is required . In the event of liquidation of the company, the holders of shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
		Bonus shares issued during the last five years	NIL	NIL
		Reconciliation of number of equity shares outstanding at the beginning and end of the year :		
		Number of shares outstanding as at the beginning and end	48,43,500	48,43,500
3		<u>RÉSERVE & SURPLUS:</u>		
		<u>GENERAL/ CAPITAL RESERVE</u>		
		At the beging of the accounting year	-	-
		Additions during the year	6,89,33,695	6,89,33,695
		At the end of accounting year	6,89,33,695	6,89,33,695
		<u>SECURITIES PREMIUM ACCOUNT</u>		
		At the beging of the accounting year	3,10,50,000	3,10,50,000
		Additions during the year	-	-
		At the end of accounting year	3,10,50,000	3,10,50,000
		<u>SURPLUS</u>		
		At the beging of the accounting year	13,02,19,307	(5,63,91,178)
		Additions during the year	8,56,86,516	18,66,10,485
		(Balance in statement of profit and loss A/c)		
		Allocations and appropriatiosn		-
		At the end of accounting year	21,59,05,823	13,02,19,307
		GRAND TOTAL	31,58,89,518	23,02,03,002
4		<u>LONG TERM BORROWINGS</u>		
	a	<u>SECURED TERM LOANS</u>		
		Car Loans from Gulshan Mercantile Urban Co-operative Bank Limited, Muzaffarnagar	12,47,058	66,85,574
		Car Loan from ICICI Bank Limited	98,55,844	11,68,561
		(above loans are secured against the respective car finance by the bank)		
			1,11,02,902	78,54,135

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FIXED ASSETS

NOTE NO.9

NAME OF THE ASSETS	GROSS BLOCK			
	BALANCE AS ON 01.04.2020	ADDITIONS DURING THE YEAR	SOLD OR TRANSFER THE YEAR	TOTAL AS AT 31.03.2021
Land- Free Hold	3,01,08,580.00	5,44,960.00	-	3,06,53,540.00
Lease Hold Land	44,51,330.00	-	-	44,51,330.00
Building	5,10,40,627.54	2,50,80,599.84	-	7,61,21,227.38
Plant & Mach.	42,50,09,943.61	10,09,08,124.90	24,63,330.00	52,34,54,738.51
Lab. Equipment	2,21,08,834.00	6,41,526.00	-	2,27,50,360.00
E.T.P.	47,04,002.50	-	-	47,04,002.50
Vehicles	2,11,64,825.00	1,43,58,613.62	-	3,55,23,438.62
Computer	15,14,348.00	2,87,051.00	-	18,01,399.00
Furniture & Fix.	24,03,535.15	1,36,16,919.00	-	1,60,20,454.15
Current Year	56,25,06,025.80	15,54,37,794.36	24,63,330.00	71,54,80,490.16
Previous Year	41,99,12,669.03	14,25,93,356.77	-	56,25,06,025.80

NAME OF THE ASSETS	DEPRECIATION				NET BLOCK	
	TOTAL UP TO 01.04.2020	ADJ. DURING THE YEAR	FOR THE YEAR	TOTAL UP TO 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020
Land - Free hold	-	-	-	-	3,06,53,540.00	3,01,08,580.00
Lease Hold Land	7,77,906.00	-	71,549.00	8,49,455.00	36,01,875.00	36,73,424.00
Building	1,59,18,165.85	-	34,39,717.08	1,93,57,882.93	5,67,63,344.45	3,51,22,461.69
Plant & Mach.	21,46,19,224.98	-	3,68,01,489.55	25,14,20,714.53	27,20,34,023.98	21,03,90,718.63
Lab. Equipment	64,68,564.13	-	46,49,836.56	1,11,18,400.69	1,16,31,959.31	1,56,40,269.87
E.T.P.	22,20,833.54	-	3,74,294.95	25,95,128.48	21,08,874.02	24,83,168.96
Vehicles	74,43,935.00	-	47,63,432.50	1,22,07,367.50	2,33,16,071.12	1,37,20,890.00
Computer	3,94,005.71	-	8,74,089.59	12,68,095.30	5,33,303.70	11,20,342.29
Furniture & Fix.	11,09,057.24	-	3,51,465.84	14,60,523.08	1,45,59,931.07	12,94,477.91
Current Year	24,89,51,692.45	-	5,13,25,875.07	30,02,77,567.52	41,52,02,922.64	31,35,54,333.35
Previous Year	21,01,81,780.40	-	3,87,69,912.05	24,89,51,692.45	31,35,54,333.35	20,97,30,888.63

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b UNSECURED LONG TERM BORROWINGS:		
Loans from Directors	-	-
From Others	78,50,000	70,00,000
	78,50,000	70,00,000
GRAND TOTAL	1,89,52,902	1,48,54,135
5 OTHER TERM LIABILITIES :		
Sundry Creditors more than one years	2,87,68,685	6,05,71,808
	2,87,68,685	6,05,71,808
6 TRADE PAYABLES		
Sundry Creditors	27,74,60,806	20,29,21,732
	27,74,60,806	20,29,21,732
7 OTHER CURRENT LIABILITIES		
a) Instalment of term loans	45,61,720	12,73,951
b) Advance from Customers	1,71,30,305	3,25,61,626
	2,16,92,025	3,38,35,577
8 SHORT-TERM PROVISIONS		
Expenses payable	2,11,19,471	1,38,46,019
Provision for income tax	1,33,56,506	3,93,05,833
	3,44,75,977	5,31,51,852
10 LONG TERM LOANS AND ADVANCES:		
(unsecured, considered good unless otherwise stated)		
Securities Deposited	83,56,090	84,91,490
TDS/TCS/Advance Tax FY - 2019-20	68,05,328	1,72,11,871
TDS/TCS/Advance Tax FY - 2020-21	95,68,006	-
	2,47,29,424	2,57,03,361
11 INVESTMENTS		
Shares of Gulshan Mercantile Urban co-operative Bank Limited.	2,70,285	2,70,285
	2,70,285	2,70,285
12 INVENTORIES:		
(As taken ,valued and certified by the management)		
Raw Materials	9,86,08,902	6,61,33,893
Stock in process	2,04,32,377	92,73,294
Finished goods	4,10,38,747	3,15,96,700
Packing Materials	15,00,438	4,76,228
Stores and spares	10,56,788	11,26,860
Fire Wood	66,045	83,697
HSD	81,400	50,528
Coal	6,57,927	6,03,905
	16,34,42,625	10,93,45,105

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13 TRADE RECEIVABLES:

(unsecured, considered good unless otherwise stated)

Trade receivables outstanding for more than six months from the date they became due for payment:

Other Debts

36,97,178 2,63,26,301

5,78,73,587 5,38,72,519

6,15,70,765 8,01,98,820

14 CASH & CASH EQUIVALENTS :**(a) BALANCE WITH BANKS**

IN FIXED DEPOSITS

3,55,830 81,34,352

IN CURRENT ACCOUNTS:

57,28,981 2,11,92,979

Cash on hand

2,42,056 57,731

63,26,867 2,93,85,063

15 SHORT TERM LOANS & ADVANCES:

(unsecured, considered good unless otherwise stated)

(Advance recoverable in cash or in kind for the value to be received)

Advance to Suppliers

5,03,21,520 6,79,94,604

GST Input

46,86,925 76,42,778

GST under Protest

10,55,446 -

LIC of India (Grauity fund)

8,00,000 8,00,000

Interest receivables

98,598 1,61,863

Prepaid Expenses

6,81,140 10,82,963

5,76,43,629 7,76,82,208

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED**31.03.2021**

Figures are in Rs.

NO	S. NO	PARTICULARS	As at 31.03.2021	As at 31.03.2020
		REVENUE FROM OPERATIONS		
a		Sale of Products	1,48,48,42,826	1,25,81,04,020
b		Sale of products - Export	16,71,17,890	12,01,58,050
c		Sale of Services	32,67,000	75,26,445
		Net Revenue from Operations	1,65,52,27,716	1,38,57,88,515
17		OTHER INCOME:		
		Dividend	-	10,364
		Interest on FDRs	3,45,774	90,974
		Interest on Security and on refund	26,445	60,000
		Export Incentive and others	15,08,498	2,02,350
		Dr./ Cr. Balance Written Off	8,761	12,033
			18,89,478	3,75,721
18		COST OF MATERIALS CONSUMED:		
		Purchase of Raw Materials	1,18,53,35,719	84,01,48,857
		Add: Opening Stock	6,61,33,893	4,63,61,277
			1,25,14,69,613	88,65,10,134
		Less: Closing Stock	9,86,08,902	6,61,33,893
		Consumption of Raw Materials	1,15,28,60,711	82,03,76,241

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19	<u>MANUFACTURING EXPENSE :</u>		
	Stores & Spares Consumed	2,25,81,684.98	2,02,12,952.93
	Packing Materials Consumed	2,17,74,965.00	1,96,79,629.00
	Job charges	2,09,210.00	38,85,850.00
	Power & fuel charges	12,24,05,400.80	11,20,98,658.00
	Repair to Plant & Machinery	83,10,347.45	62,67,219.00
		<u>17,52,81,608.23</u>	<u>16,21,44,308.93</u>
20	<u>CHANGES IN INVENTORIES</u>		
	<u>FINISHED GOODS</u>		
	At the beging of the accounting Year	3,15,96,700	1,06,49,945
	At the end of the accounting Year	4,10,38,747	3,15,96,700
		<u>(94,42,047)</u>	<u>(2,09,46,755)</u>
	<u>WORK-IN-PROGRESS</u>		
	At the beging of the accounting Year	92,73,294	93,07,527
	At the end of the accounting Year	2,04,32,377	92,73,294
		<u>(1,11,59,083)</u>	<u>34,233</u>
	GRAND TOTAL	<u>(2,06,01,130)</u>	<u>(2,09,12,522)</u>
21	<u>EMPLOYEE BENEFITS EXPENSES</u>		
	Factory Wages and Salary	13,24,64,855	7,14,11,653
	Employer's contribution to PF	21,79,906	16,49,766
	ESIC Contribution	11,60,908	7,40,616
	Adm. Charges to PF	1,09,167	89,545
	EDLI charges	1,09,167	89,545
	Workers and staff Welfare	35,91,963	70,66,727
	Bonus	17,32,024	12,54,981
		<u>14,13,47,990</u>	<u>8,23,02,833</u>
22	<u>FINANCIAL COSTS:</u>		
a	INTEREST EXPENSES		
	Interest on Term Loan	12,84,326	44,13,748
	Interest on Cash Credit Account	-	1,14,619
	Interest to others	35,31,904	31,64,474
b	Bank Charges	2,51,074	4,79,587
		<u>50,67,304</u>	<u>81,72,428</u>
9	<u>DEPRECIATION AND AMORTZATION EXPENSES:</u>		
	DEPRECIATION	5,13,25,875	3,87,69,912
		<u>5,13,25,875</u>	<u>3,87,69,912</u>

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23 a ADMINISTRATIVE EXPENSE

Auditors Remuneration	64,000	64,000
Charity and donation	1,95,426	1,07,000
Filling Fee	3,000	6,000
Corporate Social Liability	27,01,750	18,98,000
Gardening Expenses	26,025	5,04,982
General Expenses	6,74,372	5,41,566
Insurance Expenses	28,96,612	15,56,756
Lease Rent	15,08,125	7,64,202
Legal & professional charges	52,36,342	57,00,474
Postage & couriers	2,39,655	2,67,016
Printing & Stationery	10,14,592	12,07,939
Rate Difference of Foreign currency	10,06,197	3,88,858
Rates and Taxes	19,83,497	21,03,589
Telephone Expenses	6,51,373	2,62,244
Travelling Expenses	4,00,465	21,96,276
Travelling Expenses Directors	6,23,169	10,89,697
Vehicles Runing & Maintenance	9,68,275	8,04,315
	<u>2,01,92,875</u>	<u>1,94,62,916</u>

b SELLING & DISTRIBUTION EXPENSE

Advertisement	2,25,518	1,46,242
Rebate & Discount	19,90,474	41,94,556
Frieght & Cartage out ward	55,91,377	41,80,030
Commission	3,34,46,036	4,23,62,592
	<u>4,12,53,405</u>	<u>5,08,83,420</u>
GRAND TOTAL	<u>6,14,46,280</u>	<u>7,03,46,336</u>

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MAGMA INDUSTRIES LIMITED, MUZAFFARNAGAR

Notes forming part of Balance sheet and Statement of Profit and Loss account as at 31.03.2021

CORPORATE INFORMATION

Magma Industries Limited (CINU24129UP1999PLC024442) ("the Company") was incorporated in India on May 21, 1999, under the provisions of the Companies Act, 1956 and having its registered office and works at Plots No. C-24 to C-28, UPSIDC Industrial Area, Meerut Road, Begrajpur-251203 Muzaffarnagar (UP) India. The principal activities of the company are to manufacturing of API and agro chemicals. The company caters to both domestic and international market.

The financial statements are approved and signed by the Company's Board of Directors on September 01, 2021.

ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of preparation**

These financial statements have been prepared under the historical cost convention, modified to include revaluation of certain fixed Assets, on a going concern basis, on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles ["GAAP"] in India. Indian GAAP primarily comprises mandatory accounting standards as specified under the section 133 of the companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting pronouncements of the Institute of chartered Accountants of India.

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful life of fixed assets and intangible assets, future obligations in respect of retirement benefit plans, etc. actual results could differ from these estimates.

The Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

2. There are no shares issued without payment being received in cash during the last five years.
3. There are no buy back of equity shares during the last five years.
4. There are no bonus shares issued during the last five years.
5. There is no ultimate holding or subsidiary company of the company.
6. **Fixed Assets** are stated at the historical cost (net of tax/ duty credit availed. If any) less accumulated depreciation. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production are treated as part of cost of project and capitalized. Further as per informations and explanations given to us during the year company sold the scrap of old plant and machinery, computer and vehicle and amount of gross value and deprecation charged till the end of the financial year reduced from the respective heads of the fixed assets.
7. **Fixed Assets** are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortized over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortization for future periods are adjusted if there are significant changes from previous estimates. That the depreciation on the assets destroyed in the fire accident were deducted from the accumulated depreciation in respective heads of the assets.

ARSR.



8. **Inventories** are valued at cost or net realizable value whichever is lower. The cost in respect of various items of inventories is computed as: Raw Material and Components-First in first out method plus direct expenses, Stores and Spares-Weighted average method plus direct expenses, Work-in-progress-Cost of material plus appropriate share of overheads thereon at different stage of completion, Finished Goods-Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location.

No provisions for GST have been made on closing stock of finished goods, which have no impact on the profits of the Company, as required under Sec. 145 A of the Income Tax Act 1961.

9. **Goods and Service Tax** has been accounted for on the basis of payments made in respect goods cleared. There is no provision made for the goods lying in the bonded warehouses. Account is relatable to difference between closing stock and opening stock. Amount of GST input credits in respect of material consumed is deducted from cost of material.

10. **Foreign currency transactions:** Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous financial statements as recognized in the statement of profit or loss in the period in which they arise.

In case of an expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

11. **Revenue Recognition:** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognized only if the following conditions are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- It can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from operations includes sale of goods and services measured at the fair value of the consideration received or receivable, net of returns and including of taxes or duties collected on behalf of the government.

12. **Borrowing Cost:** Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

13. **Taxation:** The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In this case, the tax is also recognized in other comprehensive income and equity.

- **Current tax:** Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- **Deferred tax:** Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.







Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

- 14. Contribution to Provident Fund and others:** The Company has recognized an expense of Rs. 21.80 lakhs (Previous year Rs.16.50 lakhs) in respect of contribution of the employer's towards the Provident Fund. Further an expense of Rs. 11.61 lakhs (Previous year Rs.7.41 lakhs) in respect of contribution of the employer's to Employees State insurance to cover the medical treatment facilities of the employees of the factory Provident Fund. Further
- 15. Retirement Benefits:** Retirement benefits in the form of provident fund and Employees' State Insurance Scheme whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the profit & loss account of the year. There is no provision for the gratuity and leave encashment for the year as per information and explanation given to us the company have taken the LIC gratuity policy for the payment of gratuity of employees.

B. NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS

- i. Provision for current tax for Income Tax/MAT is provided as per rules, guidelines and methods of the Income tax Act.
- ii. As per explanation given to us and from our checking that some of the Sundry Debtors are net off and balances of Sundry debtors, Sundry Creditors, Loans & advances, are subject to confirmation/reconciliation, efforts for which are continuing. No significant impact is expected on the Profit and Loss Account on account of these items.
- iii. According to the explanation and information given to us and further on our verification we noted that during the year in few purchase bills and e way bill of raw materials and fixed assets are on the basis of bill to ship to other office of the company, but as per management submission and explanation the same were used in the factory of the company and wrongly generated by the vendors.
- iv. According to the explanation and information given to us and further on our verification we noted a limit of Rs.5.00 Cr. Against the confirmed bills of supply of goods /Inland/foreign letter of Credits discounting sanctioned by the ICICI Bank Limited. During the company discounted Inland/foreign letter of Credits issued by the bank of the customers. As per explanation given to us there is no Contingent Liabilities. For this limit company has not provided any assets or guarantee of the company.
- v. In the opinion of the Board of Directors of the company the value of realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on 31st March, 2021.
- vi. As informed by the management, all the benefits payable to the employee as per law are paid during the year.
- vii. Pursuant to Accounting Standard (AS)-22 "Accounting for taxes on Income " issued by the Institute of Chartered Accountants of India applicable from 01.04.2002, the company has recorded a net deferred tax assets of Rs.86.54 lakhs for the year 31.03.2021 which is credited to statement of Profit and Loss Account. The Total accumulated deferred tax assets as at 31.03.2021 is Rs. 164.88 lakhs (Previous Year Rs. 78.34 lakhs) due to timing difference between WDV of fixed assets as per companies Act, 2013 and WDV as per Income Tax Act, 1961 and others act as applicable .
- viii. Salary to Directors during the year Rs.373.72 lakhs (Previous year –Rs.162.13 lakhs)
- ix. Telephone expenses and vehicle running & maintenance include some expenditure, which are not registered in the name of the Company. However, the same are used for the business of the Company as per trade practice and for which the Board of Directors has approved arrangement.
- x. During the year company set off balance of sundry debtors, advances and creditors which were bad and not recoverable or payable.



- xi. The bifurcation of the total outstanding dues of small scale industrial undertakings and other than small industrial undertakings as well as the names of the small scale industrial undertakings to whom the company owes a sum of exceeding Rupees one lakh and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents / papers whether they are small scale undertakings or not, hence it is not possible for the company to disclose the said information in respect of trade creditors.
- xii. During the company exported the goods of Rs.16.71 Cr. (Previous year Rs.12.02 Cr.) which includes direct exports and through merchant exporters.
- xiii. During the year Company purchased the imported goods on high sea purchase basis of Rs.69.45 lakhs (previous year Rs.50.90 lakhs)
- xiv. During the year company paid a sum of Rs.5.11 lakhs as commission out of the country and out of this Rs.1.96 lakhs was for the previous year.
- xv. Previous year figures have been regrouped / recasted / rearranged, wherever, considered necessary to confirm to its classification of the Current Year.
- xvi. As per section 135 of the Companies Act, 2013, amount required to be spent on CSR by the Company during the year ended March 31, 2021 is Rs.27.02 lakhs (Rs. 18.98 lakhs for the year ended March 31, 2020) computed at 2% of its average net profit for the immediately preceding three financial years The Company spent an amount of Rs.27.02 lakhs during the year ended March 31, 2021 towards CSR expenditure for purposes other than construction / acquisition of any asset.
- xvii. Company's capital management the capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.
- xviii. As per information and explanation given to us and the disclosure of transactions with the related parties, as described in the Accounting Standard –18 issued by the Institute of Chartered Accountants of India, are given below: -

Key management personnel:

Whole Time directors:

- | | |
|----------------------------|----------------------|
| i. Mr. Arpit Rajvanshi | Managing Director |
| ii. Mr. Agam Rajvanshi | Managing Director |
| iii. Mr. Sanjay Agarwal | Whole time Director |
| iv. Mr. Amit Kumar Kaushik | Whole Time Directors |

Non executive directors

- | | |
|----------------------------------|------------------------|
| i. Mrs. Vaishali Arpit Rajvanshi | Non-Executive Director |
|----------------------------------|------------------------|

Chief Executive Officer

- | | |
|--------------------------|--|
| i. Mr. Dinesh Kumar Garg | |
|--------------------------|--|

Name of related parties

Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control and are relative of Directors:

- i. M/s Rajvansh Fibers
- ii. M/s Kiaan Pharma Private Limited
- iii. M/s Ravi Crop Science Limited
- iv. M/s Shree Chemicals India

B. Transaction with related parties during the year:

- | | |
|--|-----------------|
| i. M/s Rajvansh Fibers : | |
| Sale of Goods | Rs.183.47 Lakhs |
| Purchase of Goods | Rs.918.10 Lakhs |
| Rent Received | Rs. 0.72 Lakhs |
| Balance Outstanding as on 31.03.2021 Cr. | Rs.270.89 lakhs |

Arpit

Agam



ii.	M/s Kiaan Pharma Private Limited :	
	Purchase of Goods	Rs.8.82 Lakhs
	Balance Outstanding as on 31.03.2021 Cr.	Rs. 5.54 Lakhs
iii.	M/s Ravi Crop Science Limited :	
	Purchase of Goods	Rs.121.91 Lakhs
	Balance Outstanding as on 31.03.2021	Rs. NIL Lakhs
iv.	M/s Shree Chemicals India :	
	Purchase of Goods	Rs.803.54 Lakhs
	Balance Outstanding as on 31.03.2021 Cr.	Rs. 102.84 Lakhs
v.	Mr. Arpit Rajvanshi	
	Salary	Rs.180.00 Lakhs
	Balance Outstanding as on 31.03.2021 Cr.	Rs. 8.71 Lakhs
vi.	Mr. Agam Rajvanshi	
	Salary	Rs. 180.00 Lakhs
	Balance Outstanding as on 31.03.2021 Cr.	Rs. 8.69 Lakhs
vii.	Mr. Dinesh Kumar Garg:	
	Salary	Rs.180.00 Lakhs
	Balance Outstanding as on 31.03.2021 Cr.	Rs. 8.56 Lakhs

xix. **ADDITIONAL INFORMATION**

(A) PARTICULARS IN RESPECT OF LICENSED AND INSTALLED CAPACITIES AND ACTUAL PRODUCTION.

Particulars	31.03.2021	31.03.2020
Licensed capacity	Not Applicable	Not Applicable
Installed capacity (as certified by the management)	6,000.000 M.T.	6,000.000 M.T.
Production/purchase	12,793.666 MT	9,643.976 M.T.

(B) OPENING STOCK OF FINISHED STOCK

Particulars	31.03.20201		31.03.2020	
	Qty. in MT.	Value (Rs. In lacs)	Qty in MT	Value (Rs. In lacs)
Chemicals	93.352	315.97	28.797	106.50

(C) CLOSING STOCK OF FINISHED STOCK

Particulars	31.03.20201		31.03.2020	
	Qty. in MT.	Value (Rs. In lacs)	Qty in MT	Value (Rs. In lacs)
Chemicals	2617.451	452.59	93.352	315.97

(D) DETAILS OF GOODS SOLD

Particulars	31.03.20201		31.03.2020	
	Qty. in MT.	Value (Rs. In lacs)	Qty in MT	Value (Rs. In lacs)
Chemicals	12069.566	16552.28	9579.421	13857.89

Note: Quantity of production and sales are inclusive of job work done and bye products produced during the production. Further the quantities are net of returns.

Arpit Sh.

[Signature]



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR

ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Figures are in Rs.

NO.	PARTICULARS	As at 31.03.2021	As at 31.03.2020
	<u>PAYMENT TO THE AUDITORS AS</u>		
	Audit Fee	43,000	43,000
	Tax Audit Fee	12,000	12,000
	Taxation Matters	9,000	9,000
	TOTAL	64,000	64,000
A	VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF		
	I RAW MATERIALS;	NIL	NIL
	II COMPONENTS AND SPARE PARTS;	NIL	NIL
	III TOTAL	NIL	NIL
B	<u>EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR ON ACCOUNT OF</u>		
	Royalty, Know how, professional and consultancy fee	NIL	NIL
	Interest and Dividends	NIL	NIL
	Foreign Travellings	NIL	NIL
	Other Expenses (commission)	5,11,081.80	NIL
	TOTAL	5,11,081.80	NIL
C	<u>BREAK UP OF CONSUMPTION</u>		
	I <u>RAW MATERIALS:</u>		
	TOTAL CONSUMPTION	1,15,28,60,711	82,03,76,241
	<u>INDIGENOUS</u>	-	-
	VALUE	1,14,66,26,719	81,52,86,098
	% OF TOTAL	99.46%	99.38%
	<u>IMPORTED</u>	-	-
	VALUE	69,45,495	50,90,143
	% OF TOTAL	0.60%	0.62%
	II SPARE PARTS AND COMPONENTS		
	TOTAL CONSUMPTION	2,25,81,685	2,02,12,953
	<u>INDIGENOUS</u>		
	VALUE	2,25,81,685	2,02,12,953
	% OF TOTAL	100	100
	<u>IMPORTED</u>		
	VALUE	NIL	NIL
	% OF TOTAL	NIL	NIL
D	THE AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDENDS	NIL	NIL
E	EARNING IN FOREIGN EXCHANGE		
	i Direct Export of Goods on FOB basis	9,46,09,890	12,01,58,050
	Export of Goods through third parties	7,25,08,000	-
	ii Royalty, Know how, professional and consultancy fee	NIL	NIL
	iii Interest and Dividends	NIL	NIL
	iv Other Income	NIL	NIL

AGS

[Signature]



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2021

NO TE	PARTICULARS			AS AT 31.03.2021	AS AT 31.03.2020
F	<u>CONTINGENT LIABILITIES AND COMMITMENTS</u> (TO THE EXTENT NOT PROVIDED FOR)				
i	<u>CONTINGENT LIABILITIES</u>				
	(a) CLAIM AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS;			NIL	NIL
	(b) GUARANTEES;			NIL	NIL
	(c) OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE.			NIL	NIL
ii	<u>COMMITMENTS</u>				
	(a) ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR;			NIL	NIL
	(b) UNCALLED LIABILITY ON SHARES AND OTHER INVESTMENTS PARTLY PAID;			NIL	NIL
	(c) OTHER COMMITMENTS			NIL	NIL
G	<u>THE AMOUNT OF DIVIDENDS PROPOSED TO BE DISTRIBUTED TO EQUITY AND PREFERENCE SHAREHOLDERS FOR THE PERIOD</u>				
	AMOUNT PER EQUITY SHARE			NIL	NIL
H	<u>ISSUE OF SECURITIES FOR SPECIFIC PURPOSE</u>				
I	DETAIL OF ANY ASSETS OTHER THAN FIXED ASSETS AND NON-CURRENT INVESTMENTS WHICH DO NOT HAVE A VALUE ON REALISATION IN THE ORDINARY COURSE OF BUSINESS AT LEAST EQUAL TO THE AMOUNT AT WHICH THEY ARE STATED.			NIL	NIL

J ADDITIONAL INFORMATIONS- NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2021

- i** SHARES IN THE COMPANY HELD BY EACH SHARE HOLDERS HOLDING MORE THAN FIVE PERCENT SHARES.(EQUITY SHARES IN NOS. OF RS. 10 EACH)

Equity shares of Rs.10.00 Each	31.03.2021		31.03.2020	
	No of shares	% of Shareholdin	No of shares	% of Shareholding
Deepak Kumar Garg	371,000	7.66	371,000	7.66
Agam Rajvanshi	869,000	17.94	869,000	17.94
Arpit Rajvanshi	1,027,000	21.20	1,027,000	21.20
Sanjay Agarwal	260,000	5.37	260,000	5.37
Dinesh Kumar Garg	1,386,500	28.63	1,386,500	28.63

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
of Magma Industries Limited

Arpit Rajvanshi
DIN:00242388
Director

Agam Rajvanshi
DIN:02493750
Director



For M. MOHAN RAMA & CO.
CHARTERED ACCOUNTANT
(ICAI Registration No. 007656C

(CA MAN MOHAN SINGH)
FCA, PARTNER
Membership No.076711
UDIN: 21076711AAAAJA1923

PLACE: MUZAFFARNAGAR
Dated :22.09.2021