

MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR**BALANCE SHEET AS AT 31.03.2020****Figures are in Rs.**

S. N	PARTICULARS	NOTE NO.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) Share Capital	2	4,84,35,000	4,84,35,000
	(b) Reserve and Surplus	3	23,02,03,002	4,35,92,517
	TOTAL(1)		27,86,38,002	9,20,27,517
2	<u>SHARE APPLICATION MONEY PENDING FOR ALLOTMENT</u>			
3	<u>NON-CURRENT LIABILITIES</u>			
	(a) Long term Borrowings	4	1,48,54,135	1,99,49,088
	(b) Other Term Liabilities	5	6,05,71,808	7,63,07,671
	TOTAL(3)		7,54,25,943	9,62,56,759
4	<u>CURRENT LIABILITIES</u>			
	(a) Short term borrowings	6	-	53,54,478
	(b) Trade payables	7	20,29,21,732	13,96,80,180
	(c) Other Current Liabilities	8	3,38,35,577	2,26,44,480
	(d) Short term provisions	9	5,31,51,852	3,40,01,162
	TOTAL(4)		28,99,09,162	20,16,80,299
	TOTAL(1+2+3+4)		64,39,73,106	38,99,64,575
II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	(a) FIXED ASSETS			
	(i) Tangible Assets	10	31,35,54,333	20,97,30,889
	(ii) Intangible Assets		-	-
	(b) Deferred tax Assets (Net)		78,33,930	68,82,312
	(c) Long term loans and Advances	11	2,57,03,361	1,33,54,431
	(d) Investments	12	2,70,285	3,70,280
	TOTAL (1)		34,73,61,909	23,03,37,912
2	<u>CURRENT ASSETS</u>			
	(a) Inventories	13	10,93,45,105	6,90,22,832
	(b) Trade receivables	14	8,01,98,820	6,56,22,619
	(c) Cash and cash equivalents	15	2,93,85,063	1,04,47,667
	(d) Short term loans and advances	16	7,76,82,208	1,45,33,546
	TOTAL(2)		29,66,11,197	15,96,26,663
	TOTAL(1+2)		64,39,73,106	38,99,64,575

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

For M. MOHAN RAMA & CO.,
CHARTERED ACCOUNTANTS

(ICAI Registration No. 007656C)

ARPIT RAJVANSHI
Director

DIN :00242388

Dated : 14.09.2020

Place : Muzaffarnagar

AGAM RAJVANSHI
Director

DIN: 02493750

(CA MAN MOHAN SINGH)

FCA, PARTNER

Membership No.076711

UDIN:20076711AAAAC04233



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2020

Figures are in Rs.

S. N	PARTICULARS	NOTE NO.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
	REVENUE FROM OPERATIONS			
I	Revenue from Operations	17	1,38,57,88,515	77,12,64,280
II	Other Income	18	3,75,721	95,308
III	TOTAL REVENUE(I+II)		1,38,61,64,236	77,13,59,588
IV	EXPENSES:			
a	Cost of Raw Materials Consumed	19	82,03,76,241	49,15,33,394
b	Manufacturing Expenses	20	16,21,44,309	9,08,83,729
c	Increase (Decrease) in Stock	21	(2,09,12,522)	(1,11,88,123)
d	Employee Benefits Expenses	22	8,23,02,833	4,63,94,689
e	Finance Cost	23	81,72,428	1,54,18,905
f	Depreciation and amortization	24	3,87,69,912	2,61,31,458
g	Adm.& Selling Expenses	25	7,03,46,336	2,20,36,532
	TOTAL EXPENSES		1,16,11,99,536	68,12,10,584
V	PROFIT BEFORE TAX		22,49,64,700	9,01,49,004
VI	TAX EXPENSE			
a	Current Tax		3,93,05,833	1,85,58,796
b	Earlier years		-	-
c	Deferred Tax Liabilities /(assets)		(9,51,618)	(2,75,305)
VII	PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		18,66,10,485	7,18,65,513
VIII	PROFIT (LOSS) FOR THE PERIOD (XI+XIV)		18,66,10,485	7,18,65,513.32
IX	EARNING PER EQUITY SHARE			
	No. of Equity shares of face value of Rs.10.00 each		48,43,500	48,43,500
a	Basic and Dulted		38.53	14.84

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

ARPIT RAJVANSHI

Director

DIN :00242388

Dated : 14.09.2020

Place : Muzaffarnagar

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(CA MAN MOHAN SINGH)

FCA, PARTNER

Membership No.076711

UDIN:20076711AAAAC04233



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR
CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31.03.2020

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 items	22,49,64,700	9,01,49,004
		Adjustments for:		
	Add:	Depreciation	3,87,69,912	2,61,31,458
	Add:	Finance Charges	81,72,428	1,54,18,905
		Operating Profit/ (Loss)before working capital changes	27,19,07,040	13,16,99,367
		Adjustments for:		
	Less:	Inventories	4,03,22,273	3,69,69,478
	Less:	Sundry Debtors	1,45,76,202	(41,94,196)
	Less:	Others current assets	7,64,49,210	36,27,401
			14,05,59,354	9,52,96,684
	Add:	Trade Payables & Other Liabilities	7,78,47,477	3,38,51,456
		Cash generated from operations before tax	21,84,06,831	12,91,48,140
	Less:	Finance Charges	81,72,428	1,54,18,905
	Less:	Income Tax	3,83,54,215	1,82,83,491
		Net Cash from operating activities	17,18,80,188	9,54,45,745
B. CASH FLOW FROM INVESTING ACTIVITIES:				
	Less:	Additions in Fixed Assets	14,25,93,357	6,65,35,557
	Less:	Additions in Investment	(99,995)	1,62,565
		Net Cash used in Investing activities	2,93,86,827	2,87,47,623
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	-	-
	Less:	Repayment of Borrowings	1,04,49,431	1,94,66,448
		Net Cash used in Financial Activities	1,89,37,396	92,81,175
		Opening Cash and Cash equivalents	1,04,47,667	11,66,492
		Closing Cash and Cash equivalents	2,93,85,063	1,04,47,667

Accompanying notes form an integral part of the Financial Statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ARPIT RAJVANSHI

Director

DIN :00242388

Dated : 14.09.2020

Place : Muzaffarnagar

AGAM RAJVANSHI

Director

DIN: 02493750

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:20076711AAAAC04233



MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR
NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2020

Figures are in Rs.

NO TE	S. NO	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of the previous reporting
2		<u>SHARE CAPITAL:</u>		
		<u>AUTHORISED:</u>		
		50,00,000 (Last year 50,00,000) Equity shares of Rs. 10	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	4,84,35,000	4,84,35,000
		Additions during the year	-	-
		4843500(L.Y.4843500) Equity shares of Rs.10.00	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	48,43,500	48,43,500
3		<u>RESERVE & SURPLUS:</u>		
	a	<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
	b	<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
	c	<u>SURPLUS</u>		
		At the beging of the accounting year	(5,63,91,178)	(12,82,56,692)
		Additions during the year	18,66,10,485	7,18,65,513
		(Balance in statement of profit and loss A/c)		
		Allocations and appropriatiosn		-
		At the end of accounting year	13,02,19,307	(5,63,91,178)
		GRAND TOTAL	23,02,03,002	4,35,92,517
4		<u>LONG TERM BORROWINGS</u>		
	a	<u>SECURED TERM LOANS</u>		
		Car Loans from Gulshan Mercantile Urban Co-operative Bank Limited,	66,85,574	61,49,088
		Car Loan from ICICI Bank Limited	11,68,561	-
		(above loans are secured against the respective car finance by the bank)		
			78,54,135	61,49,088



FIXED ASSETS

NOTE NO.10

NAME OF THE ASSETS	GROSS BLOCK			
	BALANCE AS ON 01.04.2019	ADDITIONS DURING THE YEAR	SOLD OR TRANSFER THE YEAR	TOTAL AS AT 31.03.2020
Land- Free Hold	-	3,01,08,580.00	-	3,01,08,580.00
Lease Hold Land	44,51,330.00	-	-	44,51,330.00
Building	3,42,27,898.77	1,68,12,728.77	-	5,10,40,627.54
Plant & Mach.	34,98,36,256.61	7,51,73,687.00	-	42,50,09,943.61
Lab. Equipment	96,65,858.00	1,24,42,976.00	-	2,21,08,834.00
E.T.P.	47,04,002.50	-	-	47,04,002.50
Vehicles	1,50,00,761.00	61,64,064.00	-	2,11,64,825.00
Computer	4,42,818.00	10,71,530.00	-	15,14,348.00
Furniture & Fix.	15,83,744.15	8,19,791.00	-	24,03,535.15
Current Year	41,99,12,669.03	14,25,93,356.77	-	56,25,06,025.80
Previous Year	37,28,99,321.14	6,65,35,557.00	1,95,22,209.11	41,99,12,669.03

NAME OF THE ASSETS	DEPRECIATION				NET BLOCK	
	TOTAL UP TO 01.04.2019	ADJ. DURING THE YEAR	FOR THE YEAR	TOTAL UP TO 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
Land - Free hold	-	-	-	-	3,01,08,580.00	-
Lease Hold Land	7,06,357.00	-	71,549.00	7,77,906.00	36,73,424.00	37,44,973.00
Building	1,39,34,968.04	-	19,83,197.81	1,59,18,165.85	3,51,22,461.69	2,02,92,930.73
Plant & Mach.	18,54,46,192.23	-	2,91,73,032.75	21,46,19,224.98	21,03,90,718.63	16,43,90,064.38
Lab. Equipment	38,63,087.10	-	26,05,477.03	64,68,564.13	1,56,40,269.87	58,02,770.90
E.T.P.	17,78,983.11	-	4,41,850.43	22,20,833.54	24,83,168.96	29,25,019.39
Vehicles	32,93,182.11	-	41,50,752.89	74,43,935.00	1,37,20,890.00	1,17,07,578.89
Computer	2,18,515.51	-	1,75,490.20	3,94,005.71	11,20,342.29	2,24,302.49
Furniture & Fix.	9,40,495.30	-	1,68,561.94	11,09,057.24	12,94,477.91	6,43,248.85
Current 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
Previous Year	20,35,72,531.51	1,95,22,209.11	2,61,31,458.00	21,01,81,780.40	20,97,30,888.63	16,93,26,789.63



b UNSECURED LONG TERM BORROWINGS:		
Loans from Directors	-	-
From Others	70,00,000	1,38,00,000
	70,00,000	1,38,00,000
GRAND TOTAL	1,48,54,135	1,99,49,088
5 OTHER TERM LIABILITIES		
Trade Creditors (More than one year)	6,05,71,808	7,63,07,671
	6,05,71,808	7,63,07,671
6 CURRENT LIABILITIES		
SHORT-TERM BORROWINGS:		
SECURED LOANS (Cash Credit)		
AMMCO Bank Limited, Muzaffarnagar	-	53,54,478
(Cash credit limit is secured against personal guarantee of director and the mortgage of Plot No C-28 at UPSIDC Industrial Area, Begraipur , Muzaffarnagar)		
	-	53,54,478
7 TRADE PAYABLES		
Sundry Creditors (Less than one year)	20,29,21,732	13,96,80,180
	20,29,21,732	13,96,80,180
8 OTHER CURRENT LIABILITIES		
a) Instalment of term loans	12,73,951	2,26,44,480
b) Advance from Customers	3,25,61,626	-
	3,38,35,577	2,26,44,480
9 SHORT-TERM PROVISIONS		
Expenses payable	1,38,46,019	1,54,42,366
Provision for Income tax	3,93,05,833	1,85,58,796
	5,31,51,852	3,40,01,162
11 LONG TERM LOANS AND ADVANCES:		
(unsecured, considered good unless otherwise stated)		
Securities Deposited	84,91,490	61,21,490
Advance Tax and TDS deducted (AY 2019-20))	-	72,32,941
Advance Tax and TDS deducted (AY 2020-21)	1,72,11,871	-
	2,57,03,361	1,33,54,431
12 INVESTMENTS		
Shares of AMMCO Bank Limited	-	1,87,500
Shares of Gulshan Mercantile Urban co-operative B	2,70,285	1,82,780
(The above shares were allotted by respective Co-op. bank to provide the Credit facilities to the Company.)	2,70,285	3,70,280
13 INVENTORIES:		
(As taken ,valued and certified by the management)		
Raw Materials	6,61,33,893	4,63,61,277
Stock in process	92,73,294	93,07,527
Finished goods	3,15,96,700	1,06,49,945
Packing Materials	4,76,228	3,55,286
Stores and spares	11,26,860	12,48,690
Fire Wood	83,697	31,530
HSD	50,528	39,246
Coal	6,03,905	10,29,331
	10,93,45,105	6,90,22,832



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14	<u>TRADE RECEIVABLES:</u> (unsecured, considered good unless otherwise stated) Trade receivables outstanding for more than six months from the date they became due for payment:	2,63,26,301	2,87,03,860
	Other Debts	5,38,72,519	3,69,18,759
		8,01,98,820	6,56,22,619
15	<u>CASH & CASH EQUIVALENTS :</u> (a) BALANCE WITH BANKS In fixed Deposits accounts	81,34,352	52,182
	In current accounts	2,11,92,979	68,95,258
	Cash on hand	57,731	35,00,227
		2,93,85,063	1,04,47,667
16	<u>SHORT TERM LOANS & ADVANCES:</u> (unsecured, considered good unless otherwise stated) (Advance recoverable in cash or in kind for the value to be received)		
	Advance to Suppliers	6,79,94,604	1,38,81,266
	GST Input	76,42,778	3,02,798
	LIC of India (Gratuity fund)	8,00,000	-
	Interest receivables	1,61,863	1,01,863
	Prepaid Expenses	10,82,963	2,47,619
		7,76,82,208	1,45,33,546

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

Figures are in Rs.

NOTE NO.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of the previous reporting
17	<u>REVENUE FROM OPERATIONS</u>		
a	Sale of Products	1,25,81,04,020	73,79,54,194
b	Sale of products - Export	12,01,58,050	-
c	Sale of Services	75,26,445	3,33,10,086
	Net Revenue from Operations	1,38,57,88,515	77,12,64,280
18	<u>OTHER INCOME:</u>		
	Dividend	10,364	-
	Interest on FDRs	90,974	-
	Interest on Security and on refund	60,000	97,441
	Export Incentive and others	2,02,350	-
	Dr./ Cr. Balance Written Off	12,033	(2,133)
		3,75,721	95,308
19	<u>COST OF MATERIALS CONSUMED:</u>		
	Purchase of Raw Materials	84,01,48,857	51,67,14,296
	Add: Opening Stock	4,63,61,277	2,11,80,375
		88,65,10,134	53,78,94,671
	Less: closing Stock	6,61,33,893	4,63,61,277
	Consumption of Raw Materials	82,03,76,241	49,15,33,394



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20	<u>MANUFACTURING EXPENSE :</u>		
	Stores & Spares Consumed	2,02,12,953	1,13,33,934
	Packing Materials Consumed	1,96,79,629	97,84,931
	Job charges	38,85,850	34,34,935
	Power and Fuel Expenses	11,20,98,658	6,24,61,248
	Repair to Plant & Machinery	62,67,219	38,68,681
		<u>16,21,44,309</u>	<u>9,08,83,729</u>
21	<u>CHANGES IN INVENTORIES</u>		
	<u>FINISHED GOODS</u>		
	At the beging of the accounting Year	1,06,49,945	39,85,564
	At the end of the accounting Year	3,15,96,700	1,06,49,945
		<u>(2,09,46,755)</u>	<u>(66,64,381)</u>
	<u>WORK-IN-PROGRESS</u>		
	At the beging of the accounting Year	93,07,527	47,83,785
	At the end of the accounting Year	92,73,294	93,07,527
		<u>34,233</u>	<u>(45,23,742)</u>
	GRAND TOTAL	<u>(2,09,12,522)</u>	<u>(1,11,88,123)</u>
22	<u>EMPLOYEE BENEFITS EXPENSES</u>		
	Factory Wages and Salary	7,14,11,653	4,15,20,848
	Employer's contribution to PF	16,49,766	6,90,677
	ESIC Contribution	7,40,616	2,76,000
	Adm. Charges to PF	89,545	41,393
	EDLI charges	89,545	39,805
	Gratuity	1,31,859	-
	Workers and staff Welfare	69,34,868	34,39,642
	Bonus	12,54,981	3,86,324
		<u>8,23,02,833</u>	<u>4,63,94,689</u>
23	<u>FINANCIAL COSTS:</u>		
a	INTEREST EXPENSES		
	Interest on Term Loan	44,13,748	1,30,42,304
	Interest on Cash Credit Account	1,14,619	12,21,695
	Interest to others	31,64,474	10,61,406
b	Bank Charges	4,79,587	93,500
		<u>81,72,428</u>	<u>1,54,18,905</u>
24	<u>DEPRECIATION AND AMORTZATION EXPENSES:</u>		
	DEPRECIATION	3,87,69,912	2,61,31,458
		<u>3,87,69,912</u>	<u>2,61,31,458</u>



25 a ADMINISTRATIVE EXPENSE

Auditors Remuneration	64,000	64,000
Charity and donation	1,07,000	84,700
Filing Fee	6,000	26,900
Corporate Social Liability	18,98,000	-
Gardening Expenses	5,04,982	2,67,390
General Expenses	5,41,566	3,48,005
Insurance Expenses	15,56,756	4,13,150
Lease Rent	7,64,202	18,39,911
Legal & professional charges	57,00,474	38,88,312
Postage & couriers	2,67,016	1,07,703
Printing & Stationery	12,07,939	6,05,784
Rates and Taxes	21,03,589	23,21,937
Rate Difference of Foreign currency	3,88,858	-
Telephone Expenses	2,62,244	3,32,829
Travelling Expenses	21,96,276	14,74,833
Travelling Expenses Directors	10,89,697	3,83,968
Vehicles Runing & Maintenance	8,04,315	10,36,506
	<u>1,94,62,916</u>	<u>1,31,95,928</u>

b SELLING & DISTRIBUTION EXPENSE

Advertisement	1,46,242	1,51,563
Rebate & Discount	41,94,556	73,75,652
Frieght & Cartage out ward	41,80,030	7,94,287
Commission	4,23,62,592	5,19,102
	<u>5,08,83,420</u>	<u>88,40,604</u>
GRAND TOTAL	<u>7,03,46,336</u>	<u>2,20,36,532</u>



MAGMA INDUSTRIES LIMITED, MUZAFFARNAGAR

Notes forming part of Balance sheet and Statement of Profit and Loss account as at 31.03.2020

CORPORATE INFORMATION

Magma Industries Limited (CINU24129UP1999PLC024442) ("the Company") was incorporated in India on May 21, 1999, 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.

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 the 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. FIXED ASSETS

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.

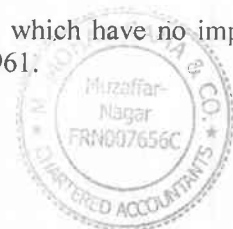
3. DEPRECIATION

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.

4. INVENTORIES

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

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.



5. GST

GST 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.

6. 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.

7. 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.

8. 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.

9. FOREIGN EXCHANGE FLUCTUATION

There is foreign exchange transaction during the year and all the difference in foreign exchange is made in profit and loss account.



10. 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.

Gratuity and Leave encashment is accounted for on accrual and payment basis.

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 that company has not deposited the TDS of Rs.2.50 lakhs on the land purchased during the year, however company paid full amount of consideration of land without deducting the TDS from sales consideration.
- v. 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
- vi. 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, 2020.
- vii. As informed by the management, all the benefits payable to the employee as per law are paid during the year.
- viii. 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.9.52 lakhs for the year 31.03.2020 which is credited to statement of Profit and Loss Account. The Total accumulated deferred tax assets as at 31.03.2020 is Rs. 78.34 lakhs (Previous Year Rs. 68.82 lakhs) due to timing difference between WDV of fixed assets as per companies Act, 1956 and WDV as per Income Tax Act, 1961 and others act as applicable.
- ix. Salary to Directors during the year Rs.162.13 lakhs (Previous year -Rs.26.66 lakh)
- x. 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.
- 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. Previous year figures have been regrouped / rearranged, wherever, considered necessary.
- xiii. 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: -



A.	<u>Name of related parties</u>	<u>Relation</u>	
	Mr. Dinesh Kumar Garg	Key Management Person	
	M/s Rajvansh Fibers	Associate	
	M/s Kiaan Pharma Private Limited	Associate	
	M/s Ravi Crop Science Limited	Associate	
	M/s Shree Chemicals India	Associate	
B.	<u>Transaction with related parties</u>	<u>Associates</u>	<u>Key Management person</u>
	Nature of transactions during the year		
	Salary	NIL	84.00 lakhs
	Purchase	Rs. 1364.85 Lakhs	NIL
	Sales	Rs. 242.99 Lakhs	NIL
	Rent	Rs. 0.72 Lakhs	NIL
	Interest	Rs. 4.01 Lakhs	NIL
	Credit balance outstanding as on 31.03.2020	Rs. 248.63 Lakhs	NIL
	Debit Balance outstanding as on 31.03.2020	Rs. 70.30 Lakhs	NIL

xiv.

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

<u>PARTICULARS</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Licensed capacity	Not Applicable	Not Applicable
Installed capacity (as certified by the management)	6000.000 M.T.	6000.000 M.T.
Production/purchase	9643.976 M.T.	2765.838 M.T.

(B) OPENING STOCK OF FINISHED STOCK

<u>PARTICULARS</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>QTY IN M.T.</u>	<u>QTY IN M.T.</u>
	<u>VALUE</u>	<u>VALUE</u>
	(Rs. In lacs)	(Rs. In lacs)
Chemicals	28.797	15.196
	106.50	39.86

(C) CLOSING STOCK OF FINISHED STOCK

<u>PARTICULARS</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>QTY IN M.T.</u>	<u>QTY IN M.T.</u>
	<u>VALUE</u>	<u>VALUE</u>
	(Rs. In lacs)	(Rs. In lacs)
Chemicals	93.352	28.797
	315.97	106.50

(D) DETAILS OF GOODS SOLD

<u>PARTICULARS</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>QTY IN M.T.</u>	<u>QTY IN M.T.</u>
	<u>VALUE</u>	<u>VALUE</u>
	(Rs. In lacs)	(Rs. In lacs)
Chemicals	9579.421	2752.237
	13857.89	7379.54

Note: that the installed capacity of production is of the finished products only .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.

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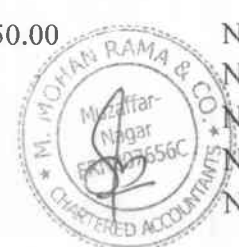
MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR

**ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR
THE YEAR ENDED 31.03.2020**

Figures are in Rs.

NOTE NO.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
A.	<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
B.	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
III	TOTAL	NIL	NIL
C.	<u>EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR ON ACCOUNT OF</u>		
	ROYALTY	NIL	NIL
	KNOWHOW	NIL	NIL
	PROFESSIONAL AND CONSULTATION FEES	NIL	NIL
	INTEREST	NIL	NIL
	FOREIGN TRAVELLING	NIL	NIL
	FEES AND TAXES	NIL	NIL
	TOTAL	NIL	NIL
D.	<u>BREAK UP OF CONSUMPTION</u>		
I	<u>RAW MATERIALS;</u>		
	TOTAL CONSUMPTION	82,03,76,241	49,15,33,394
	<u>INDIGENOUS</u>	-	-
	VALUE	81,47,86,098	49,15,33,394
	% OF TOTAL	99.99	100
	<u>IMPORTED</u>	-	-
	VALUE	55,90,143.00	-
	% OF TOTAL	0.007	-
II	SPARE PARTS AND COMPONENTS		
	TOTAL CONSUMPTION	2,02,12,953	1,13,33,934
	<u>INDIGENOUS</u>		
	VALUE	2,02,12,953	1,13,33,934
	% OF TOTAL	100	100
	<u>IMPORTED</u>		
	VALUE	NIL	NIL
	% OF TOTAL	NIL	NIL
E.	THE AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCIES ON ACCOUNT OF D	NIL	NIL
F.	EARNING IN FOREIGN EXCHANGE		
I	EXPORT OF GOODS ON FOB BASIS;	12,01,58,050.00	NIL
II	ROYALTY,KNOWHOW,PROFESSIONAL AND CONSULTANCY FEES;	NIL	NIL
		NIL	NIL
III	INTEREST AND DIVIDENDS;	NIL	NIL
IV	OTHER INCOME;	NIL	NIL

Ag. Sh.



[Signature]


MAGMA INDUSTRIES LIMITED , MUZAFFARNAGAR

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2020

NOTE NO.	PARTICULARS			AS AT 31.03.2020	AS AT 31.03.2019
G.	<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 contingent 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) Unclaimed liability on shares and other investment partly paid :			NIL	NIL
	(c) Other commitments :			NIL	NIL
H.	THE AMOUNT OF DIVIDENDS PROPOSED TO BE DISTRIBUTED TO EQUITY AND PREFERENCE SHAREHOLDERS FOR THE PERIOD				
	AMOUNT PER EQUITY SHARE			NIL	NIL
I	ISSUE OF SECURITIES FOR SPECIFIC PURPOSE			NIL	NIL
J	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
K	2 SHARES IN THE COMPANY HELD BY EACH SHARE HOLDERS HOLDING MORE THAN FIVE PERCENT SHARES.(EQUITY SHARES IN NOS. OF RS. 10 EACH) :				

Sl. No.	Equity shares of Rs.10.00 Each	31.03.2020		31.03.2019	
		No of shares	% of Shareholdings	No of shares	% of Shareholdings
1	Deepak Kumar Garg	3,71,000	7.66	3,71,000	7.66
2	Ravi Laminators Private Limited	-	-	3,70,000	7.64
3	Blue Diamonds Industries Limited	-	-	3,45,000	7.12
4	Smt. Poonam Garg	-	-	6,21,000	12.82
5	Agam Rajvanshi	8,69,000	17.94	4,34,000	8.96
6	Arpit Rajvanshi	10,27,000	21.20	8,27,000	17.07
7	Sanjay Agarwal	2,60,000	5.37	260000	5.37
8	Dinesh Kumar Garg	8,76,500	28.63	876500	18.10

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


ARPIT RAJVANSHI
Director
DIN :00242388
Dated : 14.09.2020
Place : Muzaffarnagar


AGAM RAJVANSHI
Director
DIN: 02493750

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




(CA MAN MOHAN SINGH)
FCA, PARTNER
Membership No.076711
UDIN:20076711AAAAC04233