AGARWAL SHILPI & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF
MG INDUSTRIES PRIVATE LIMITED
NEW DELHI

Report on the Financial Statements

We have audited the accompanying financial statements of **MG INDUSTRIES PRIVATE LIMITED**, which comprise the Balance Sheet as at **31/03/2022**, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2022** and its ***PROFIT*** and it's cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance (TCWG)

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position , financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

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ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

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auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

This report includes a statement in **"Annexure A"** on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of sub section 11 of section 143 of the companies Act, 2013 since in Our opinion and according to the information and explanation given to us, the said order is applicable to the company.

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that as required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) Based on the written representations received from the directors as on **31/03/2022** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2022** from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. There is not any litigation pending against the company as on 31st March 2022.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There is no any amount which is required to be transferred to the Investor Education and Protection Fund by the Company.

For Agarwal Shilpi & Associates
Chartered Accountants
ICAI FRN: 023163C

AGARWAL SHILPI & ASSOCIATES FRN-023163C Chartered Accountants

Shilpi

per Shilpi Agarwal
Proprietor
Membership No. 416644

Place: New Delhi
Dated: 09-06-2022
UDIN:- 22416644AKULKR1521

Annexure-A

Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2022

To,
The Members of **MG INDUSTRIES PRIVATE LIMITED**
Regd. Off.: D-151-A, Defence Colony, New Delhi-110024

We report that: -

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
(i)	Fixed Assets	a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?	The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
		b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
		c) Whether the title deeds of immovable properties are held in the name of the company? If not, provide the details thereof.	Immovable properties are held in the name of company.
(ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account?	Physical verification of inventory has been conducted at reasonable intervals by the management.
(iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of The Companies Act, 2013? if so,	As informed, company has granted any loans and advances to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
		a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest?	In our opinion and according to the information and explanations given to us. The rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest to the company.
		b) Whether the schedule of repayment of principal and payment of interest has been	The loans granted are repayable on demand. As informed, the company has

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cashilpiagarwal86@gmail.com
amreshanand@gmail,com
8285381064
9654686476

		stipulated and whether the repayments or receipts are regular?	not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent.
		c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.
(iv)	Loan to director and investment by the company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
(v)	Public Deposits	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any Deposits.
(vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
(vii)	Statutory Compliance	a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?	The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it though there has been a slight delay in few cases.
		b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a	There is no dispute with the revenue authorities regarding any duty or tax payable.

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		dispute)	
(viii)	Loan from Banks/ Financial Institution	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and government, lender wise details to be provided)	Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank of debenture holders.
(ix)	Application of Money Received from Equity or Loan	Whether moneys rose by way of initial public offer or further public offer {including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.	The company has not raised any money by way of initial public offer or further public offer {including debt instruments) and term loans. Hence this clause is not applicable.
(x)	Fraud Reporting	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year? If yes, the nature and the amount involved is to be indicated;	Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.
(xi)	Managerial Remuneration	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
(xii)	Nidhi Company - Compliance with Deposits	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability?	As per information and records available with us the company is not Nidhi Company.
(xiii)	Related Party Transactions	Whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards?	Yes, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
(xiv)	Issue of Share Capital and use of Amount Raised	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount rose have been used for the purposes for	According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting

AGARWAL SHARMA & ASSOCIATES FRN-023163C Chartered Accountants

		which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance?	requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
(xv)	Transaction with Director	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with?	As per information given by management, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)	Registration from RBI	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Agarwal Shilpi & Associates
Chartered Accountants
ICAI FRN: 023163C

AGARWAL SHILPI & ASSOCIATES FRN-023163C Chartered Accountants

Shilpi

Place: New Delhi
Dated: 09-06-2022
UDIN:-22416644AKULKR1521

per Shilpi Agarwal
Proprietor
Membership No. 416644

MG INDUSTRIES PRIVATE LIMITED

CIN:U25111DL1997PTC084285

Balance Sheet as on 31st March 2022

PARTICULARS	NOTE No.	AS AT 31.03.2022	AS AT 31.03.2021
EQUITY & LIABILITIES			
1) SHAREHOLDER'S FUNDS			
a) Share Capital	1	98,48,090	98,48,090
b) Reserve & Surplus	2	5,22,09,312	4,06,93,630
		6,20,57,402	5,05,41,720
2) NON-CURRENT LIABILITIES			
a) Long Term Borrowings	3	5,57,27,895	3,04,09,156
b) Other Long Term Liabilities		3,43,93,703	-
		9,01,21,598	3,04,09,156
3) CURRENT LIABILITIES			
a) Short Term Borrowings	5	63,51,738	5,00,27,274
b) Trade Payable	6		
total outstanding dues of micro enterprises and small enterprises; and		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises.		5,50,82,345	5,93,59,453
c) Other Current Liabilities	7	2,73,07,595	1,93,97,962
d) Short Term Provisions	8	37,62,258	1,10,040
		9,25,03,937	12,88,94,729
TOTAL		**24,46,82,937**	**20,98,45,605**
ASSETS			
1) NON-CURRENT ASSETS			
a) Property Plant & Equipment			
i) Tangible Assets	9	1,48,78,306	1,83,50,808
ii) Capital work in Progress		2,58,26,314	-
		4,07,04,620	1,83,50,808
b) Non-Current Investments	10	-	20,33,297
c) Deferred Tax Assets (Net)	4	11,67,370	27,52,390
c) Other Non-Current Assets	11	52,21,915	32,98,245
		63,89,284	80,83,932
2) CURRENT ASSETS			
a) Inventories	12	9,76,46,743	9,72,40,032
b) Trade Receivables	13	5,56,67,470	4,78,17,926
c) Cash & Cash Equivalents	14	40,56,377	77,97,779
d) Short Term Loan & Advances	15	1,83,48,929	1,69,98,245
e) Other Current Assets	16	2,18,69,514	1,35,56,884
		19,75,89,034	18,34,10,865
TOTAL		**24,46,82,937**	**20,98,45,605**

Notes forms an integral part to these Financial statements

As per our attached report of even date'

For Agarwal Shilpi & Associates
(Chartered Accountants)
FRN: 023163C

AGARWAL SHILPI & ASSOCIATES
FRN-023163C
Chartered Accountants

Shilpi Agarwal
(Proprietor)
M.No:. 416644

Place : New Delhi
Date: 09/06/2022

FOR MG INDUSTRIES PRIVATE LIMITED

Mohit Gupta
(Director)
DIN : 00103720

Radhika Gupta
(Director)
DIN : 00284631

MG INDUSTRIES PRIVATE LIMITED

CIN:U25111DL1997PTC084285

Statement of Profit & Loss Account for the year ended 31st March 2022

PARTICULARS	NOTE No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I) Revenue From Operation	17	13,89,92,482	6,30,26,640
II) Other Income	18	48,15,642	1,91,62,202
III) Total Revenue (I+II)		**14,38,08,124**	**8,21,88,842**
IV) Expenses			
Cost of materials consumed	19	9,31,56,774	6,08,17,697
Changes in inventories of finished goods	20	(1,21,06,233)	63,42,923
Employee benefits expenses	21	2,30,60,017	17,61,806
Finance Cost	22	90,93,774	64,58,274
Other Expenses	23	97,67,793	21,07,560
Depreciation and Amortization Expenses	9	39,73,040	39,95,199
Total Expenses		**12,69,45,166**	**8,14,83,459**
V) Profit Before Tax		**1,68,62,958**	**7,05,383**
VI) Tax Expenses			
Current Tax		37,62,258	-
Deferred Tax	4	15,85,017	1,17,919
Mat Credit Entitlement		-	-
VII) Profit After Tax		**1,15,15,682**	**5,87,464**
VIII) Earnings per equity share:	24		
(1) Basic		11.69	0.60
(2) Diluted		11.69	0.60

As per our attached report of even date'

For Agarwal Shilpi & Associates
(Chartered Accountants)
FRN: 023163C

AGARWAL SHILPI & ASSOCIATES
FRN-023163C
Chartered Accountants

Shilpi Agarwal
(Proprietor)
M.No:. 416644

FOR MG INDUSTRIES PRIVATE LIMITED

Mohit Gupta
(Director)
DIN : 00103720

Radhika Gupta
(Director)
DIN : 00284631

Place : New Delhi
Date: 09/06/2022

MG INDUSTRIES PRIVATE LIMITED

CIN:U25111DL1997PTC084285

Cash Flow Statement for the year ended 31.03.2022

			For the year ended 31.03.2022	For the year ended 31.03.2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax		**1,68,62,958**	**7,05,383**
	Adjustments for:	Depreciation	39,73,040	39,95,199
		Loss on sale of fixed assets	-	-
		Interest paid	90,93,774	64,58,274
	Operating Profit before Working Capital Changes		**2,99,29,772**	**1,11,58,856**
	Adjustments for:			
	Add: Decrease/(increase) in current assets			
		Trade receivables	-78,49,544	2,71,67,753
		Inventories	-4,06,711	77,67,434
		Short Term Loans and advances	-13,50,684	-2,20,87,966
		Other current assets	-83,12,630	-34,46,392
	Add: Increase/(decrease) in current liabilities			
		Trade payables	-42,77,108	-10,51,446
		Short-term provisions	-1,10,040	2,91,169
		Other non current liabilities	3,43,93,703	-
		Other current liabilities	79,09,636	92,52,732
	Cash Generated From Operations before tax payment		**4,99,26,393**	**2,90,52,141**
		Direct tax paid	-	2,81,052
	NET CASH FROM OPERATING ACTIVITIES (A)		**4,99,26,393**	**2,87,71,089**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
		Investment/Sale in shares	20,33,297	-
		Investment in FDR and other non current assets	-19,23,670	19,88,783
		Purchase of fixed assets including capital work in progr	-2,63,26,852	-85,527
		Sale of fixed assets	-	-
	NET CASH FROM INVESTING ACTIVITIES (B)		**-2,62,17,225**	**19,03,256**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
		Long term Borrowing raised during the Year	2,53,18,739	-76,46,124
		Short term borrowings paid during the year	-4,36,75,536	-91,44,359
		Interest paid on borrowing	-90,93,774	-64,58,274
	NET CASH FROM FINANCING ACTIVITIES (C)		**-2,74,50,571**	**-2,32,48,757**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**-37,41,402**	**74,25,588**
	Opening Cash Balance		**77,97,779**	**3,72,191**
	Closing Cash Balance		**40,56,377**	**77,97,779**

As per our attached report of even date'
For Agarwal Shilpi & Associates
(Chartered Accountants)
FRN: 023163C

AGARWAL SHILPI & ASSOCIATES FRN-023163C Chartered Accountants

Shilpi Agarwal
(Proprietor)
M.No:. 416644

Place : New Delhi
Date: 09/06/2022

FOR MG INDUSTRIES PRIVATE LIMITED

Mohit Gupta
(Director)
DIN : 00103720

Radhika Gupta
(Director)
DIN : 00284631

M/S MG INDUSTRIES PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

1 Corporate information

MG INDUSTRIES PRIVATE LIMITED (hereinafter referred to as 'the Company') was incorporated in the state of New Delhi, India. The Company manufactures rubber products. The Company also produces & markets tire tubes for two and four wheeler vehicles

1.1 Significant Accounting Policies

The significant accounting policies have been predominantly presented below the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 (as amended).

The Company is a Small and Medium Sized Company ('SMC') as defined in the General Instruction in respect of Accounting Standards notified under Companies Act, 2013. Pursuant to the exemptions/relaxations for SMC, Accordingly the Company has not disclosed certain information in these financial statements pursuant to the exemptions/relaxations.

1.2 Basis of preparation

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the provisions of the Act. The accounting policies have been consistently applied by the Company unless otherwise stated.

All assets and liabilities are presented as Current or Non-current as per criteria set out in Schedule III to the Company's Act, 2013. Based on the nature of business of the company, its operations and realization, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current/ Non-current classification of assets & liabilities.

1.3 Summary of significant accounting policies

a) Use of estimates

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the period in which the same is determined.

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Chartered Accountants

b) **Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of the purchase price (net of Cenvat credit availed), borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

c) **Depreciation/Amortization**

Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Company has assessed the useful life of its fixed assets and has computed depreciation and amortisation with reference to the useful life of assets as recommended in Schedule II of the Act.

	Life (in years)
Vehicles	8
Factory building	30
Laptops, Desktop & Printers	3
Furniture	7
Plant & Machinery & Equipment	15

d) **Capital Work in Progress**

Assets which are not ready for its intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) **Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investment and all other investments are classified as non-current investments. Current investments are valued at the lower of cost and market value. Long term investments are valued at cost

f) **Valuation of Inventory**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, wherever considered necessary. Cost is determined using First In First Out method. Cost includes all charges incurred in bringing the inventories to their present location and condition. Small tools, chemicals and consumables are charged to consumption as and when purchased.

g) **Revenue recognition**

Sale of Goods

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived.

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Sale of Services

Revenue from services is recognized on completion of services and when no uncertainty exists regarding the amount of consideration that will be derived.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

h) **Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. In accordance with Accounting standard on "Borrowing Costs" a qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are charged to Profit and loss account

i) **Income tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j) **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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k) **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

m) **Cash & Cash Equivalent**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

n) In the opinion of the board of directors, the current assets, Loans & Advances if realized in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

0) The balances of sundry debtors/ creditors and other personal accounts are subject to confirmation and reconciliation, if any. The management is of the view that these are good and realisable.

p) Previous year numbers have been regrouped/reclassed wherever considered necessary, to confirm to current year classification.

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MG INDUSTRIES PRIVATE LIMITED

NOTE-'1' SHARE CAPITAL

PARICULARS	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
AUTHORISED SHARE CAPITAL:		
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
5,00,000 Equity Shares of Rs. 10/- each (Addition)	50,00,000	50,00,000
	1,50,00,000	1,50,00,000
ISSUED SHARE CAPITAL		
9,84,809 Equity Shares of Rs. 10/- each	98,48,090	98,48,090
TOTAL RS.	98,48,090	98,48,090
SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL		
9,84,809 Equity Shares of Rs. 10/- each	98,48,090	98,48,090
TOTAL RS.	98,48,090	98,48,090

1.2 The reconciliation of the number of shares outstanding is set out below:

	MARCH 2022	MARCH 2021
Shares outstanding at the beginning of the year	9,84,809	9,84,809
Shares Issued during the year	-	-
Shares outstanding at the end of the year	9,84,809	9,84,809

1.3 Disclosure as to the shareholders holding more than 5 percent shares:

NAME OF SHAREHOLDERS (AS ON 31.03.2022)	No. of Shares	% of Holding
Mohit Gupta	9,84,808	99.9999%
Manju Gupta	1	0.0001%
Total	9,84,809	100%

NAME OF SHAREHOLDERS (AS ON 31.03.2021)	No. of Shares	% of Holding
Mohit Gupta	8,37,088	85
Radhika Gupta	49,240	5
Manju Gupta	49,240	5
Alissa Nanak Sheth	49,241	5
Total	9,84,809	100

Rights and preferences attached to Equity Shares:

a. The Company has only one class of Equity Shares having face value of ` 10/- each and each shareholder is entitled to one vote per share.

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MG INDUSTRIES PRIVATE LIMITED

Notes on Financial Statements for the year ended 31st MARCH 2022

PARTICULARS	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
NOTE-'2' RESERVES & SURPLUS		
a) SECURITIES PREMIUM		
Opening Balance	7,00,000.00	7,00,000.00
Addition during the year	-	-
Closing Blance	7,00,000.00	7,00,000.00

Securities premium is used to record the premium received on issue of shares.

b) SURPLUS		
Opening Balance	3,99,93,629.60	3,94,06,165.41
(+) Transfer During the Year	1,15,15,682.32	5,87,464.19
Closing Blance	5,15,09,311.92	3,99,93,629.60
TOTAL RS.	**5,22,09,311.92**	**4,06,93,629.60**

Retained earnings represent the accumulated earnings, net of losses (if any) made by the Company over the years.

NOTE-'3' LONG TERM BORROWINGS		
A)FROM BANKS (SECURED)		
ICICI Loan Account-Ecl 191062367	-	99,00,000.00
AU Small Finance Bank Eclgs Loan	44,34,115.81	-
Loan From Au Bank Finance Ltd	3,11,74,623.67	-
II)FROM OTHERS (UNSECURED)		
a)Loan and Advances from Related Parties		
Loan From Director (Alisha Nanak Sheth)	11,10,000.00	15,00,000.00
Moonriver Designs Private Limited	77,45,816.00	77,45,816.00
Nanak Gunendra Seth	10,00,000.00	10,00,000.00
Punit Marketing Pvt. Ltd.	1,02,63,340.00	1,02,63,340.00
	5,57,27,895.48	**3,04,09,156.00**

(Refer Annexure A for terms & condition of loan, interest rate, nature of securities & tenure of repayment)

NOTE-'5' SHORT TERM BORROWINGS		
I) LOAN REPAYABLE ON DEMAND:-		
A)From Banks (Secured)		
ICICI CC Account	-	5,00,27,274.31
B)From Others (Unsecured)		
Loan From Director (Mohit Gupta)	63,51,738.37	-
Total	**63,51,738.37**	**5,00,27,274.31**

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MG INDUSTRIES PRIVATE LIMITED

Notes on Financial Statements for the year ended 31st MARCH 2022

PARTICULARS	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
NOTE-'6' TRADE PAYABLE		
*Due to Micro & Small Enterprises**	-	-
Others	5,50,82,345	5,93,59,453
TOTAL RS.	**5,50,82,345**	**5,93,59,453**

*According to the information available with the management, on the basis of intimation received from the suppliers, regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), there are no suppliers registered under MSMED Act, therefore company has no amounts due to Micro and Small enterprises under the said Act.

NOTE-'7' OTHER CURRENT LIABILITIES		
(a) Employee related payables		
Salary & Wages payable	3,03,810	2,02,396
b) Other Payables		
Audit Fees Payable	1,84,700	2,48,300
Interest Payable	30,61,978	-
Statutory dues Payables	45,57,350	39,14,642
Advance From Customer - JK	-	1,13,21,145
Electricity Exp. Payable	18,65,755	37,11,479
Current maturites of long term debt	1,70,70,108	-
Others Payables	2,63,894	-
	2,70,03,785	**1,91,95,566**
TOTAL RS.	**2,73,07,595**	**1,93,97,962**

NOTE-'8' SHORT TERM PROVISIONS		
Provision For Mat/Income Tax	37,62,258	1,10,040
TOTAL RS.	**37,62,258**	**1,10,040**

NOTE-'10' NON-CURRENT INVESTMENTS		
INVESTMENT IN EQUITY INSTRUMENTS		
a) Quoted Shares		
Vishal Retail Ltd.	-	15,15,540
b) Unquoted Shares		
Vantage Brands Private Limited	-	2,00,000
Qualimax Electronics Pvt. Ltd	-	3,17,757
TOTAL RS.	**-**	**20,33,297**

NOTE-'11' OTHER NON-CURRENT ASSETS		
I) Balances with Government Authorities		
(unsecured & Considered Good)		
Opening Balance	-	3,96,098
Add: MAT Credit	-	1,10,040
Mat Credit Entitlement	-	5,06,138
II)Fixed Deposits		
FDR with Sales Tax	2,00,000	2,00,000
Others FDRs	34,85,215	3,41,540
FDRs - LC Margin Money ICICI	-	2,74,583
Accured Interest on FDR ICICI	-	35,710
III) Security Deposits (unsecured & Considered Good)	15,36,700	19,40,274
	52,21,915	**32,98,245**

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MG INDUSTRIES PRIVATE LIMITED

Notes on Financial Statements for the year ended 31st MARCH 2022

PARTICULARS	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
NOTE-'12' INVENTORIES (Valued at Lower of Cost or NRV)		
a) Raw Materials	4,21,76,257	5,38,75,779
b) Work In Progress	-	-
c) Finished Goods	5,54,70,486	4,33,64,253
	9,76,46,743	**9,72,40,032**
NOTE-'13' TRADE RECEIVABLE		
(unsecured & Considered Good)		
Sundry Debtors	5,56,67,470	4,78,17,926
TOTAL RS.	**5,56,67,470**	**4,78,17,926**
NOTE-'14' CASH & CASH EQUIVALENTS		
a) Cash in Hand	12,19,346	60,82,347
b) Balances with Banks		
IOB - 4933	1,28,915	1,28,915
HDFC Bank	-	38,036
HDFC CC Account	-	3,593
ICICI Bank	3,82,144	5,07,899
AU small finance bank ltd_2121248034698001	47,321	-
AU small finance bank ltd_ 2121245636453255	22,45,808	-
Yes Bank	32,842	10,36,988
TOTAL RS.	**40,56,377**	**77,97,779**
NOTE-'15' SHORT TERM LOAN & ADVANCES		
(unsecured & Considered Good)		
Loan & Advances to related parties		
Vantage Brands Pvt Ltd	2,00,000	-
Matangi Rubber Pvt Ltd- Delhi	96,000	
Mohit Gupta	-	35,83,630
Manju Gupta	1,02,37,416	94,09,791
Balances with Government Authorities		
Tds Recievable	51,88,617	8,71,884
Income Tax Refund	14,16,858	11,38,289
GST Recievables	1,45,819	5,34,521
Tcs Recievables	-	4,000
Advances Given to Staff	10,64,220	3,84,630
Other Advances- Imprest	-	1071500.00
	1,83,48,929	**1,69,98,245**
NOTE-'16' OTHERS CURRENT ASSETS		
Accrued Income	1,72,73,786	95,00,140
Prepaid Expense	66,368	-
Advance to Supplier	45,29,360	40,56,744
	2,18,69,514	**1,35,56,884**

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MG INDUSTRIES PRIVATE LIMITED

Notes on Financial Statements for the year ended 31st MARCH 2022

PARTICULARS		AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
NOTE-'17' REVENUE FROM OPERATION			
Sale of Products		40,77,554.03	5,35,26,500.09
Sales of Services		13,49,14,927.56	95,00,140.00
	TOTAL RS.	13,89,92,481.59	6,30,26,640.09
NOTE-'18' OTHER INCOMES			
Interest Received		2,21,151.15	1,11,573.00
Misc Income		8,928.80	2,17,981.07
Prioir period expenses		-	-
Balances Written Off		45,85,562.08	1,88,32,647.53
	TOTAL RS.	48,15,642.03	1,91,62,201.60
NOTE-'19' COST OF MATERIAL CONSUMED			
Opening Stock		5,38,75,779.00	5,53,00,290.43
Add:- Purchases		1,95,13,936.18	4,55,36,340.00
Add: Direct Expenditures			
- Electricity Expense		1,91,19,522.00	88,75,274.00
- Freight and Cartage Inwards		5,57,670.79	8,090.00
- Labour Charges		3,20,02,643.23	11,51,895.00
- Consumables		56,13,400.55	5,29,223.62
other direct expense		24,44,458.63	-
- Repair & Maintanace (Machinery)		22,05,620.76	32,92,362.69
Less:- Closing Stock		4,21,76,256.85	5,38,75,778.84
Cost of Material Consumed	'OTAL RS.	9,31,56,774.29	6,08,17,696.90
NOTE-'20' CHANGE IN INVENTORIES OF FINISHED GOODS			
Opening Stock		4,33,64,253.37	4,97,07,175.97
Less:Closing Stock		5,54,70,486.00	4,33,64,253.37
	TOTAL RS.	(1,21,06,232.63)	63,42,922.60
NOTE-'21' EMPLOYEE BENEFIT EXPENSES			
Salary Expenses		2,11,09,416.00	12,90,988.00
ESI & PF		10,25,804.00	99,382.00
Staff Welfare Expenses		9,24,797.17	3,71,436.00
	TOTAL RS.	2,30,60,017.17	17,61,806.00
NOTE-'22' FINANCE COST			
a) Interest Expenses on :			
Interest on Loans		86,33,525.34	61,17,724.22
Interest on GST		3,240.00	1,27,204.00
LC Charges		8,964.02	81,504.98
Loan Processing Charges		3,92,156.00	11,800.00
b) Bank Charges		55,888.80	1,20,040.80
	TOTAL RS.	90,93,774.16	64,58,274.00

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MG INDUSTRIES PRIVATE LIMITED

Notes on Financial Statements for the year ended 31st MARCH 2022

PARTICULARS	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
NOTE-'23' OTHER EXPENSES		
Factory Licence Fee	43,441	1,50,398
Audit Fees	60,000	30,000
Business Promotion	34,528	1,52,870
Conveyance Expenses	17,30,879	69,694
Freight & Cartage (Outwards)	57,478	500
GST Expenses	2,25,406	-
Income Tax expenses	3,96,098	-
Donation	1,47,000	10,000
Insurance	4,47,682	1,38,371
Office Exp	6,66,926	72,455
Rates & Taxes	12,92,903	6,10,930
Legal & Professional	4,93,000	5,200
Late Fee GST	-	4,460
Books & Periodicals	-	30,000
Misc. Expenses	2,52,077	67,096
Postage & Telegram	17,414	6,300
Printing & Stationery	1,35,327	87,722
Rent Expenses	-	1,07,500
ROC Charges	58,560	-
Repair & Maintenance	2,81,350	2,57,693
Security Charges	15,06,434	89,063
Telephone Expenses	99,201	7,176
Tour & Travelling Exp.	1,03,969	1,52,532
Medical expense	30,627	-
Testing fees	99,050	-
Investments W/off	6,87,915	-
Water Charges	-	57,600
Interest on TDS	2,20,682	-
Bad Debts W/off	6,79,846	-
TOTAL RS.	**97,67,793**	**21,07,560**

NOTE-'24' Earning per Share

PARTICULARS	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
Basic & Diluted		
Profit after tax	1,15,15,682	5,87,464
Less: Dividend on Preference Shares	-	-
Adjusted Net Profit for the year	1,15,15,682	5,87,464
Weighted average number of shares	9,84,809	9,84,809
Basic & Diluted EPS	**11.69**	**0.60**

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NOTE '9'

FIXED ASSETS & DEPRECIATION AS PER COMPANIES ACT, 2013

Particulars	LAND	FACTORY BUILDING	VEHICLES	COMPUTER	FURNITURE & FIXTURE	MACHINERY & EQUIPMENT	Total
Balance as at April 1, 2020	**688964**	**9265500**	-	**1298045**	**48,21,712.00**	**10,61,41,336.00**	**12,22,15,557.00**
Additions	-	-	-	85,527.00	-	-	85,527.00
Disposal	-	-	-	-	-	-	-
Balance as at March 31, 2021	**6,88,964.00**	**92,65,500.00**	-	**13,83,572.00**	**48,21,712.00**	**10,61,41,336.00**	**12,23,01,084.00**
Additions	-	-	-	2,49,626	-	2,50,912	5,00,538
Disposal	-	-	-	-	-	-	-
Balance as at March 31, 2022	**6,88,964**	**92,65,500**	-	**16,33,198**	**48,21,712**	**10,63,92,248**	**12,28,01,622**
Accumulated Depreciation							
Balance as at April 1, 2020	-	**66,25,620.00**		**12,33,142.00**	**46,13,102.00**	**8,74,83,213.00**	9,99,55,077.00
Change for the Year	-	3,13,457.00	-	3,395.00	-	36,78,347.00	39,95,199.00
Reversal on Disposal							-
Balance as at March 31, 2021	-	**69,39,077.00**	-	**12,36,537.00**	**46,13,102.00**	**9,11,61,560.00**	**10,39,50,276.00**
Change for the Year		2,76,117.90		71,760.64	-	36,25,161.76	39,73,040.30
Reversal on Disposal							-
Balance as at March 31, 2022	-	**72,15,194.90**	-	**13,08,297.64**	**46,13,102.00**	**9,47,86,721.76**	**10,79,23,316.30**
Net Block							
Balance as at March 31, 2021	**6,88,964.00**	**23,26,423.00**	-	**1,47,035.00**	**2,08,610.00**	**1,49,79,776.00**	**1,83,50,808.00**
Balance as at March 31, 2022	**6,88,964.00**	**20,50,305.10**	-	**3,24,900.68**	**2,08,610.00**	**1,16,05,526.04**	**1,48,78,305.82**

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MG INDUSTRIES PRIVATE LIMITED

NOTE-'4' DEFERRED TAX

MG INDUSTRIES PRIVATE LIMITED

COMPUTATION OF DEFERRED TAX AS ON 31.03.2022 25.17%

			AMOUNT
Dep - Income Tax Act	WDV	1,95,16,626.96	
Dep - Companies Act	WDV	1,48,78,305.82	
	DIFF	46,38,321.14	
	DTA	11,67,372.66	-
			11,67,373

DEFERRED TAX ASSET/ (LIABILITY) AS ON 31.03.2021	27,52,390
DEFERRED TAX ASSET/ (LIABILITY) AS ON 31.03.2022	11,67,373
DEFERRED TAX PROVISION ENTRY TO BE MADE ON 31.03.2022	(15,85,017)

FOR MG INDUSTRIES PRIVATE LIMITED

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Mohit Gupta	Radhika Gupta
(Director)	(Director)
DIN : 00103720	DIN : 00284631

Annexure A

(a) Secured term loan (from bank):

(Amount in ₹)

Lender	Nature of facility	Loan Currency	Limit Available as at 31-Mar-22	Amount as at 31-Mar-22	Rate of interest (p.a.)	Repayment / modification of terms	Security / Principal terms and conditions
AU Small Finance Bank Ltd	Term loan (LRD) secured	INR	5,00,00,000	5,00,00,000	Notified Repo Rate + 5.00% (Spread) i.e 9% PA variable until first reset date payable monthly.	The loan is repayable along with interest, in 56 monthly installments starting from August, 2021 till March, 2026.	The loan is secured by way of hypothecation on current assets and movable fixed assets both & future.
AU Small Finance Bank Ltd	Term loan (ECGLS) secured	INR	99,00,000	99,00,000	Notified Repo Rate + 5.25% (Spread) i.e 9.25% PA variable until first reset date payable monthly.	The loan is repayable along with interest, in 37 monthly installments starting from Aug'21	The loan is secured by way of hypothecation on current assets and movable fixed assets both & future. Equitable mogtgage properties situated at Plot No. 8, Industrial Area, Village Malanpur, Tehsil Gohad, Ditrict Bhind, MP-477177

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