



## ANNUAL REPORT

# MANGALAM ALLOYS LIMITED

**FY: 2020-21**

**AY: 2021-22**



**KPSJ & ASSOCIATES LLP**

*Chartered Accountants*

B-1002, Mondeal Square, Nr. Prahladnagar Garden, S. G. Highway, Ahmedabad - 15

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**NAME OF COMPANY** : **MANGALAM ALLOYS LIMITED.**

**ADDRESS OF COMPANY** : **Plot No. 3123-26 , GIDC Phase-III,  
Chhatral District, Gandhinagar –382729 (India).**

**STATUS** : **LIMITED COMPANY**

**CIN** : **U27109GJ1988PLC011051**

**NAME OF DIRECTORS** : **UTTAMCHAND MEHTA  
TUSHAR MEHTA  
GHANSHYAMBHAI PATEL  
PUSHPA MEHTA  
SARAT CHANDRA PRADHAN**

**ACCOUNTING YEAR** : **01/04/2020 TO 31/03/2021**

**ASSESSMENT YEAR** : **2021 – 2022**

**AUDITOR** : **KPSJ & ASSOCIATES LLP  
CHARTERED ACCOUNTANTS**



## **Independent Auditor's Report**

To  
The Members  
Mangalam Alloys Limited  
(CIN: U27109GJ1988PLC011051)

### **Report on the standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **Mangalam Alloys Limited** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 March 31, 2021, its Loss and its 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 Standalone 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 Standalone 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.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Standalone Financial Statements and our auditor's report thereon.



Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### **Responsibility of Management for the Standalone Financial Statements**

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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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. 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 implementation and maintenance of 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 ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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. That Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 Standalone 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 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 Standalone Financial Statements, including the disclosures, and whether the Standalone 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.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,



2013, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 standalone 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. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h. 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. Except disputed tax and labour liabilities mentioned in Annexure 1 point (vii) (b), the Company does not have any pending litigations which would impact its financial position;



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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the period under review.

**For, KPSJ & ASSOCIATES LLP**

**(Chartered Accountants)**

**FRN: 124845W/W100209**



**KEDAR LADDHA**

**(Partner)**

**M. No. 101886**

**UDIN: 21101886AAAALH1145**



**Place: Ahmedabad**

**Date: November 2, 2021**

**(Referred to paragraph under 'Report on other legal and regulatory requirements' section of the Independent Auditors' Report of even date to the members of Mangalam Alloys Limited AS financial statements for the year ended March 31, 2021)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of the Company's fixed assets: (Property, Plant & Equipment and Intangible assets):
- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such verifications.
  - c) According to information and explanations given by the management, the title deeds/lease deeds of immovable Properties included in Property, Plant and equipment are held in the name of company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals during the year by the management and no material discrepancies were noticed on such physical verification.
- (iii) The company has not 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.
- (iv) In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, accordingly this clause is not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prime facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.





(vii) In respect of statutory dues:

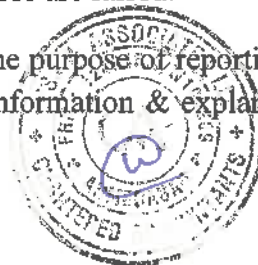
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable,
- (c) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except followings:

Name of the statute	Nature of Dues	Amount (in Rs.)	Related Years	Forum where dispute is pending
Income Tax	Section 250 of Income Tax act, 1961	1,62,690	A.Y 2014-15	Jurisdictional AO
	Section 148 of Income Tax Act, 1961	80,39,069	A.Y 2012-13	Jurisdictional AO (Stay Granted by High Court)
Labour Law	Labour Law	4,50,000 2,73,000	2003-04, 2006-07	Labour Court, Kalol
Value Added Tax	VAT	57,13,066	2010-11	Gujarat VAT Tribunal

(viii) In our opinion and according to explanations provided by the management, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) In our opinion and according to explanations provided by the management, No moneys raised 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.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to information & explanations provided by



the management, We report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year;

(xi) According to information and explanations provided by the management 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 2013,

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provision of clause 3 (xii) is not applicable to the company and hence not commented upon.

(xiii) According to information and explanations provided by the management, all transactions with the related parties are in compliance with sections 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) According to information and explanations provided by the management, 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

(xv) According to information and explanations provided by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as per the provisions of section 192 of Companies Act, 2013;

(xvi) According to information and explanations provided by the management, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, KPSJ & ASSOCIATES LLP**

**(Chartered Accountants)**

**FRN: 0124845W / W100209**



**KEDAR LADDHA**

**[Partner]**

**M.No.: 101886**

**UDIN: 21101886AAAALH1145**



**Place: Ahmedabad**

**Date: November 2, 2021**

## Annexure-2

**(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Mangalam Alloys Limited of even date)**

### **Report on the internal financial controls over financial reporting under clause (i) of subsection 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **MANGALAM ALLOYS LIMITED** as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

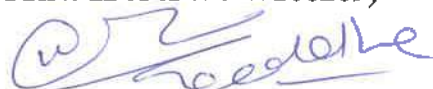
## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021.

**For, KPSJ & ASSOCIATES LLP**

**(Chartered Accountants)**

**FRN: 124845W / W100209)**



**KEDAR LADDHA**

**[Partner]**

**M. No: 101886**

**UDIN: 21101886AAAALH1145**

**Place: Ahmedabad**

**Date: November 2, 2021**



## MANGALAM ALLOYS LIMITED

Balance Sheet as at 31st March, 2021

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Share Capital	1	18,55,95,270	17,77,00,530
(b) Reserve & Surplus	2	45,34,40,720	50,21,44,584
<b>Liabilities</b>		<b>63,90,35,990</b>	<b>67,98,45,114</b>
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	67,54,71,331	50,58,43,593
(b) Deferred Tax Liabilities (Net)	4	3,81,60,496	6,33,77,732
(c) Long Term liability	5	4,35,17,308	6,58,72,348
(d) Long Term Provision	6	46,45,651	46,48,049
		<b>76,17,94,786</b>	<b>63,97,41,722</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	7	84,51,70,453	91,73,61,030
(b) Trade Payables	8	66,05,44,051	87,75,81,359
(c) Other Current Liabilities	9	21,41,42,876	12,74,54,512
(d) Short term provisions	10	4,20,039	1,38,25,146
		<b>1,72,02,77,419</b>	<b>1,93,62,22,047</b>
<b>Total</b>		<b>3,12,11,08,195</b>	<b>3,25,58,08,883</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipments	11		
(i) Tangible assets	'11(a)'	77,83,11,246	83,24,07,432
(ii) Intangible assets		3,27,181	4,41,286
(iii) Capital work-in-progress	'11(b)'	1,33,454	-
		<b>77,87,71,881</b>	<b>83,28,48,718</b>
(b) Non-current investments	'12'	19,21,88,796	19,21,88,796
(c) Deferred Tax Assets (Net)		-	-
(d) Long term Loans and Advances	'13'	32,31,890	32,53,550
(e) Other non-current assets		-	-
		<b>19,54,20,686</b>	<b>19,54,42,346</b>
<b>Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	'14'	1,27,95,53,412	1,25,88,05,056
(c) Trade receivables	'15'	59,35,94,976	75,42,51,871
(d) Cash and Bank Balances	'16'	1,98,04,134	2,08,59,806
(e) Short-term loans and advances	'17'	18,81,78,610	13,71,05,510
(f) Other Current Assets	'18'	6,57,84,496	5,64,95,576
		<b>2,14,69,15,628</b>	<b>2,22,75,17,819</b>
<b>Total</b>		<b>3,12,11,08,195</b>	<b>3,25,58,08,883</b>

Significant accounting policies & Notes to the financial statements 1 to 41 are accompanying.

As per our report attached  
**For KPSJ & ASSOCIATES LLP**  
 Chartered Accountants  
 Firm's Registration No.124845W / W100209

For and on behalf of Board of Directors



(Tushar Mehta)  
 Managing Director  
 DIN: 00187046



(Uttamchand Mehta)  
 Director  
 DIN: 00153639



(KEDAR LADDHA)  
 Partner  
 M.No.101886  
 UDIN : 21101886AAAALH1145  
 Date: 02/11/2021  
 Place: Ahmedabad



  
 (Gaurav Kumar Rathore)  
 Chief Financial Officer

  
 (Manmeetkaur Bhatia)  
 Company Secretary

Date: 02/11/2021  
 Place: Ahmedabad

**MANGALAM ALLOYS LIMITED**

**Profit and Loss for the year ended 31st March, 2021**


(Amount in Rs.)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>Revenue</b>			
Revenue from operations	19	2,71,25,87,442	3,45,91,07,967
Other Income	20	64,79,830	46,98,735
<b>Total</b>		<b>2,71,90,67,272</b>	<b>3,46,38,06,702</b>
<b>Expenses:</b>			
Cost of materials consumed	21	1,93,99,27,700	2,68,39,55,798
(Increase)/Decrease in Inventory of Stock in Trade	22	76,46,059	(23,97,12,443)
Employee Benefit Expense	23	19,71,28,252	22,27,59,430
Other Expenses	24	45,22,03,112	50,99,42,433
Depreciation and amortization expense		7,62,97,137	7,47,84,755
Financial costs	25	13,64,50,895	13,08,56,755
<b>Total</b>		<b>2,80,96,53,155</b>	<b>3,38,25,86,728</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(9,05,85,883)</b>	<b>8,12,19,974</b>
Exceptional Items		-	-
Profit before extraordinary items and tax		(9,05,85,883)	8,12,19,974
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>(9,05,85,883)</b>	<b>8,12,19,974</b>
Tax expense:			
(1) Current tax	-	-	11,05,725
Less: MAT Credit	-	-	-
(2) Deferred tax		(2,52,17,236)	1,46,99,818
<b>Profit for the period</b>		<b>(6,53,68,647)</b>	<b>6,54,14,431</b>
No. Of equity shares at the end of the year		1,85,59,527	1,77,70,053
Weighted No. Of equity shares at the end of period		1,78,21,964	1,77,70,053
Profit for calculation of E.P.S. (Rs.)		(6,53,68,647)	6,54,14,431
Nominal value of Equity shares (Rs.)		10	10
Earning per equity share:			
(1) Basic & Dilluted-Annualised		(3.67)	3.68

Significant accounting policies & Notes to the financial statements 1 to 41 are accompanying.

As per our report attached  
**For KPSJ & ASSOCIATES LLP**  
 Chartered Accountants  
 Firm's Registration No.124845W / W100209


For and on behalf of Board of Directors

  
**(KEDAR LADDHA)**  
 Partner  
 M.No.101886  
 UDIN : 21101886AAAALH1145  
 Date: 02/11/2021  
 Place: Ahmedabad



  
**(Gaurav Kumar Rathore)**  
 Chief Financial Officer

  
**(Tushar Mehta)**  
 Managing Director  
 DIN: 00187046

  
**(Uttamchand Mehta)**  
 Director  
 DIN: 00153639

  
**(Manmeetkaur Bhatia)**  
 Company Secretary

Date: 02/11/2021  
 Place: Ahmedabad

# MANGALAM ALLOYS LIMITED

(Rs.in Lakhs)

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2021.

	Inflow (Outflow) 2020-21	Inflow (Outflow) 2019-20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before taxation and extraordinary items	(905.86)	812.20
Adjustments for :		
Depreciation	762.97	747.85
Interest Paid	1,364.51	1,308.57
Interest Received	(24.02)	(18.44)
Loss on sale of assets	-	5.05
Profit On Sale of assets	(39.73)	(14.58)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,157.87</b>	<b>2,840.65</b>
Adjustment for :		
Trade & Other receivables	993.65	(429.37)
Inventories	(207.48)	(2,366.21)
Trade Payables	(1,301.99)	1,492.20
<b>CASH GENERATED FROM OPERATIONS</b>	<b>642.04</b>	<b>1,537.27</b>
Income Tax Paid	(135.57)	(334.82)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>506.47</b>	<b>1,202.45</b>
Prior Year's Adjustment	(54.40)	(43.46)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>452.06</b>	<b>1,168.99</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets (including Capital Work in progress)	(235.28)	(2,009.15)
Non current investment made	-	5.05
Sale/deduction in fixed assets	52.81	28.32
Interest Received	24.02	18.44
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(158.45)</b>	<b>(1,957.34)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceed from Issue of share capital	300.00	
Premium/profit and loss Capitalized for Bonus Shares		
Proceeds of Share premium	-	
Share Issue Expenses		
Proceed from long term Liability	(223.55)	658.72
Proceeds From Long Term Borrowings and Working Capital Finance	974.37	1,470.70
Interest Paid	(1,364.51)	(1,308.57)
<b>NET CASH SURPLUS IN FINANCING ACTIVITIES</b>	<b>(313.69)</b>	<b>820.85</b>
<b>D. NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(20.08)</b>	<b>22.50</b>
<b>E. Opening Cash and cash equivalent</b>	<b>50.37</b>	<b>27.87</b>
<b>F. Closing cash and cash equivalent</b>	<b>30.29</b>	<b>50.37</b>

As per our report attached

For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
Firm's Registration No.124845W / W100209


For and on behalf of Board of Directors

  
**(KEDAR LADDHA)**  
Partner  
M.No.101886  
UDIN: 21101886AAAALH1145  
Place: Ahmedabad  
Date: 02/11/2021



  
**(Tushar Mehta)**  
Managing Director  
DIN: 00187048

  
**(Gaurav Kumar Rathore)**  
Chief Financial Officer

  
**(Uttamchand Mehta)**  
Director  
DIN: 00153639

  
**(Manmeetkaur Bhatia)**  
Company Secretary

Place: Ahmedabad  
Date: 02/11/2021

**MANGALAM ALLOYS LIMITED**

**Significant Accounting Policies:**

**(a) Basis of Accounting:**

The financial statements have been prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and applicable Accounting Standards referred to under section 133 of the companies act 2013 read with rule 7 of the companies (Accounts) rules 2014

**(b) Revenue Recognition:**

(i) Revenue for the sales is recognised on the transfer of risk and reward. Revenue from job work is recognised on percentage of completion method based on completion of physical portportion of the job.

(ii) Interest income is recognised on accrual basis taking into account the amount outstanding and the rate applicable.

(iii) Dividend income is recognised when right to received is established.

**(c) Fixed Assets:**

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

**(d) Depreciation / Amortisation**

Depreciation on tangible fixed assets is provided for on the basis of straight line method as per the useful life specified in Schedule-II of the Companies Act, 2013 on pro rata basis.

Depreciation on intangible assets is provided on straight line method over the estimated useful life of 3 year on prorata basis.

**(e) Impairment of Assets :**

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized whenever the carrying amount of an assets or its cash generating unit exceeds its recoverable

**(f) Inventories:**

Raw materials, Finished goods, semi-finished goods and consumable stores & spares are stated at lower of cost and net realisable value. Cost is calculated on weighted average basis except consumable stores & spares on FIFO basis.

**(g) Investments:**

Investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, such a decline is other than temporary in nature in the opinion of the management.

**(h) Retirement Benefits:**

1) Contribution to provident fund and provision for leave encashment is charged to profit & loss Account.

2) Provision for gratuity liability is made based on actuarial valuation as at the Balance Sheet date and is charged to profit & loss account.

3) All other short term benefits for employees are recognised as an expense at the undiscounted amount in the Statement of profit & loss of the year in which the related service is rendered.

**(i) Borrowing Cost:**

Fixed asset which necessarily takes substantial period of time to get ready for its intended use, is qualifying asset. Borrowing costs that are attributable to the acquisition or construction of such qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

**(j) Foreign Currency Transactions :**

(a) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Assets and liabilities remaining unsettled at the end of the year other than covered by forward exchange contract are translated at the exchange rate prevailing at the end of the year and difference is adjusted to profit & loss account. The exchange gain or loss between forward exchange contract rate and exchange rate at the date of transaction are recognised in profit and loss account over the life of the contract.

(b) Translation of overseas projects of non-integral foreign operations.

i. Assets and liabilities at the rates prevailing at the end of the year

ii Income and expenses at average of daily exchange rate prevailing for the transaction balances.

iii Resulting exchange differences are accumulated in foreign currency translation reserve account

**(k) Treatment of Export Entitlement Benefits:**

Export entitlement benefits in respect of scheme of the Exim policy, are accounted for on the basis of entitlement against eligible exports made during the year.

**(l) Taxes on Income:**

a) Tax on income for the current period is determined on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred tax is recognized on timing difference between the accounting income and the estimated taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

c) Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax asset can be realized. But, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available to realize deferred tax assets.

**(m) Use of Estimates :**

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

**(n) Earning per Share :**

The company report basic & diluted EPS in accordance with AS 20 on "EARNING PER SHARE" issued by the council of the ICAI. Basic EPS is computed by dividing the Net profit/loss for the year by number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are in anti dilutive.

**(o) Provisions, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present in respect of which the likelihood of outflow of resources is remote, no disclosure is made. Contingent assets are neither recognised nor disclosed in financial statements.

(p) Accounting policies not specifically referred to are consistent with generally accepted accounting practices.





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

NOTE : '1' SHARE CAPITAL	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
<b>AUTHORISED :</b> 2,50,00,000 (2,50,00,000) Equity Shares of Rs.10/-each	25,00,00,000	25,00,00,000
	<b>25,00,00,000</b>	<b>25,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP:</b> 1,85,59,527 (1,77,70,053) Equity Shares of Rs.10 each fully paid up	18,55,95,270	17,77,00,530
	<b>18,55,95,270</b>	<b>17,77,00,530</b>

**1.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of year**

Particulars	As on 31st March, 2021		As on 31st March, 2020	
	Nos.	Rs.	Nos.	Rs.
Shares outstanding at the beginning of the year	1,77,70,053	17,77,00,530	1,77,70,053	17,77,00,530
Shares Issued during the year	7,89,474	78,94,740	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,85,59,527	18,55,95,270	1,77,70,053	17,77,00,530

**1.2 Details of shareholders holding more than 5% shares in the company**

Sr. No.	Name of Shareholder	As on 31st March, 2021		As at 31 March 2020	
		No. of Shares held	% of Holding	No. of Shares	% of Holding
1	Uttamchand Chandanmal Mehta	29,54,400	15.92	29,54,400	16.63
2	Tushar Uttamchand Mehta	62,50,199	33.68	64,60,725	30.73
3	Meghjyoti Impex Pvt. Ltd.	59,75,160	32.19	59,75,160	33.62

- 1.3 Terms/Rights attached to Shares :**  
Each holder of Equity Shares of face value of Rs.10 each is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the company the holders of equity shares will be entitled to remaining assets of the company after or distribution of all liabilities. The distribution to equity share holders will be in proportion to the number of Equity Shares held by the Shareholders.
- 988839 Shares were allotted as Bonus Shares in the Last Five years by capitalized of security premium and retained earnings.

NOTE : '2' RESERVE & SURPLUS	Rs.	As at 31st March 2021 Rs.	Rs.	As at 31st March 2020 Rs.
<b>Security Premium</b> Add: During the Year	4,41,07,902 2,21,05,272		4,41,07,902 -	
	6,62,13,174	6,62,13,174	4,41,07,902	4,41,07,902
<b>General Reserve</b> As per last year	18,15,617	18,15,617	18,15,617	18,15,617
<b>Capital Reserve</b> As per last year	66,00,000	66,00,000	66,00,000	66,00,000
<b>Retained Earnings</b> As per last Balance Sheet	44,96,21,065		38,85,52,906	
Add : Profit During the year Less : Prior Year Income Tax	(6,53,68,647) 54,40,489		6,54,14,431 43,46,272	
		37,88,11,929		44,96,21,065
		<b>45,34,40,720</b>		<b>50,21,44,584</b>



Note - '3' LONG TERM BORROWINGS		As at 31st March 2021		As at 31st March 2020	
		Non-Current (Rs.)	Current (Rs.)	Non-Current (Rs.)	Current (Rs.)
<b>A. Secured Loans</b>					
(I)	Term Loan From Co- Operative Bank				
(a)	Secured Loan by equitable mortgage of factory Land & Building Situated at Block No.96 Paiki 3 & 98 Paiki 1, Mouje Chhatral Taluka Kalol, Gujarat and further guaranteed by two directors of the company.	1,10,29,944	17,16,356	1,21,24,343	9,21,389
(b)	Secured Loan against Hypo. of Plant and Machineries Situated at Block No.96 Paiki 3 & 98 Paiki 1, Mouje Chhatral Taluka Kalol, Gujarat and further guaranteed by two directors of the company.	1,34,92,941	51,98,205	1,77,03,937	28,74,310
(c)	Secured Loan against Hypo. of Plant and Machineries Situated at Block No.96 Paiki 3 & 98 Paiki 1, Mouje Chhatral Taluka Kalol Gujarat and further guaranteed by two directors of the company.	3,49,04,464	1,43,93,563	4,65,38,409	79,79,856
(d)	Secured Loan against Hypo. of Plant and Machineries Situated at Block No.96 Paiki 3 & 98 Paiki 1, Mouje Chhatral Taluka Kalol Gujarat further charge by way of equitable mortgage of land and building there at and further guaranteed by two	65,41,097	18,33,887	79,25,847	10,04,906
(e)	Secured Loan against Hypo. of Plant and Machineries Situated at Block No.96 Paiki 3 & 98 Paiki 1, Mouje Chhatral Taluka Kalol Gujarat further charge by way of equitable mortgage of land and building there at and further guaranteed by two directors of the company.	8,30,000	39,60,000	-	-
(II)	Term Loan from Financial Institution				
(a)	Secured by first charge of Immovable property with and located at Plot No. 3246 and 3247 GIDC Chhatral Gujarat and first charge on tangible assets at aforesaid Plot financed and further Guaranteed by one director.	-	9,20,000	28,60,000	23,20,000
(b)	Secured by subservient charge on entire immovable property and movable assets (including current assets) with and located at Plot No.3123/24/25/26 GIDC Chhatral Taluka Kalol Gujarat while main charge is with a bank 6 herein and second charge on immovable property mentioned in 3A(II)(a) above and further guaranteed by the two directors and an Ex-director of the company and corporate Guarantee of Associate company.	-	43,25,976	43,75,000	59,25,000
(c)	Secured by first charge for three years & for Soft loan the charge shall be residual however after three years from date of disbursement both loan shall rank pari passu on first charge basis, by way of Hypothecation of movables, (except current assets) including movables plant & Machinery Spares, tools & accessories, office equipments, Computers, Furniture and fixtures, both present and future located at Plot No. 3246 and 3247, GIDC Chhatral Taluka Kalol Gujarat and further guaranteed by the two directors of the company	2,11,00,000	1,68,00,000	3,79,00,000	90,00,000
(d)	Secured by first charge by way of hypothecation of movables (except current assets) including the movable plant & machinery, machinery spares, tools & accessories, office equipments, computers, furniture and fixtures, both present and future located at Plot No.3246 and 3247, GIDC Chhatral Taluka Kalol Gujarat already secured to same financial institution in (II) (a) as above	3,80,000	22,20,000	26,00,000	12,95,000
(e)	Secured by first charge by way of hypothecation of movables (except stock, bookdebts & current assets) including the movable plant & machinery, machinery spares, tools & accessories, office equipments, computers, furniture and fixtures, both present and future located at Plot No.3246 and 3247, GIDC Chhatral Taluka Kalol Gujarat already secured to same financial institution in (II) (a) as above and guaranteed by the two directors & a relative of the directors.	9,50,00,000	2,40,00,000	11,90,00,000	1,40,00,000
(f)	Secured by first charge by way of hypothecation of movables (except current assets) including the movable plant & machinery, machinery spares, tools & accessories, office equipments, computers, furniture and fixtures, both present and future located at Plot No.3246 and 3247, GIDC Chhatral Taluka Kalol Gujarat already secured to same financial institution in (II) (a) as above	1,03,80,000	44,40,000	1,48,20,000	25,90,000
(g)	Secured by first charge by way of hypothecation of movables (except current assets) including the movable plant & machinery, machinery spares, tools & accessories, office equipments, computers, furniture and fixtures, both present and future located at Plot No.3246 and 3247, GIDC Chhatral Taluka Kalol Gujarat already secured to same financial institution in (II) (a) as above	4,15,58,440	27,70,560		
(III)	Term Loan From Bank				
(a)	Rupee Term Loan From Deutsche Bank secured by first charge of plot located at Mouje Makarba, Taluka Vejalpur Dist.- Ahmedabad Revenue: Survey No.702/6/3 owned by a Director, is guaranteed by two directors of the company and owner of the property.	13,52,69,520	83,03,938	13,71,01,790	51,78,759

(b)	Rupee Term Loan From Deutsche Bank secured by first charge of plot located at Mouje Makarba, Taluka Vejalpur Dist.- Ahmedabad Revenue Survery No.702/6/3 owned by a Director, is gauranted by two directors of the company and owner of the property.	4,71,10,974	19,20,768	4,71,10,973	15,51,739
(c)	Rupee Term Loan GECL From Deutsche Bank secured by first charge of plot located at Mouje Makarba, Taluka Vejalpur Dist.- Ahmedabad Revenue Survery No.702/6/3 owned by a Director, is gauranted by two directors of the company and	5,43,75,001	36,24,999	-	-
(d)	(Term Loan GECL (SBI) facility secured by entire stocks, receivable and all current assets of the company and fixed assets being Land, Building & Plant and Machinery at Plot No. 3123,3124,3125 & 3126 at GIDC Chhatral Taluka Kalol Gujarat and ceding subservient charge in favour of lender in note 3 (ii) (b) above and collaterally secured by residual value of fixed assets charged for term loan as primary security & charge over three flats, building at Plot No. 3122 GIDC Chhatral Gujarat and office premises owned by a director and guaranteed by the two directors of the company.)	8,14,58,334	2,98,77,741	-	-
(e)	(Term Loan GECL (PNB) facility secured by entire stocks, receivable and all current assets of the company and fixed assets being Land, Building & Plant and Machinery at Plot No. 3123,3124,3125 & 3126 at GIDC Chhatral Taluka Kalol Gujarat and ceding subservient charge in favour of lender in note 3 (ii) (b) above and collaterally secured by residual value of fixed assets charged for term loan as primary security & charge over three flats, building at Plot No. 3122 GIDC Chhatral Gujarat and office premises owned by a director and guaranteed by the two directors of the company.)	6,98,21,586	2,12,29,171	-	-
(IV)	From Bank against security of vehicles	3,35,399	7,96,194	10,78,357	12,43,734
(V)	From NBFC against Security of specific new machinery and further guaranteed by the two Directors and an Ex-Director of the company	-	-	-	38,722
		<b>62,35,87,700</b>	<b>14,83,31,357</b>	<b>45,09,38,656</b>	<b>5,59,23,415</b>
	<b>B. Unsecured Loans</b>				
(i)	From Body Corporates	4,47,64,751	-	4,10,08,479	-
(ii)	From Directors	71,18,880	-	75,78,812	-
(iii)	From NBFC	-	80,12,231	63,17,646	1,45,46,201
	<b>Amount disclosed under the head "Other Current Liabilities" (Note - 9)</b>		<b>(15,63,43,588)</b>		<b>(7,04,69,616)</b>
	<b>TOTAL</b>	<b>67,64,71,331</b>	<b>-</b>	<b>50,68,43,593</b>	<b>-</b>



NOTE : '4' DEFERRED TAX LIABILITIES (NET)		As at 31st March 2021 Rs.		As at 31st March 2020 Rs.
<b>Deferred Tax Liability:</b>				
Timing Difference in Depreciation & Gratuity	6,33,77,732		4,86,77,914	
Add- Additional Timing Difference	(2,52,17,236)	3,81,60,496	1,46,99,818	6,33,77,732
<b>Deferred Tax Liability (Net)</b>		<b>3,81,60,496</b>		<b>6,33,77,732</b>
NOTE : '5' LONG TERM LIABILITY		As at 31st March, 2021 Rs.		As at 31st March 2020 Rs.
Long Term Capital Goods Trade Payable		4,35,17,308		6,58,72,348
<b>Total</b>		<b>4,35,17,308</b>		<b>6,58,72,348</b>
NOTE : '6' LONG TERM PROVISION		March, 2021 Rs.		March 2020 Rs.
Gratuity		42,19,264		42,07,591
Leave Encashment		4,26,387		4,40,458
<b>Total</b>		<b>46,45,651</b>		<b>46,48,049</b>
NOTE : '7' SHORT TERM BORROWINGS		March, 2021 Rs.		March 2020 Rs.
<b>(A) Secured facilities from Banks</b>				
(i) Working Capital		66,69,94,937		74,51,69,771
(ii) Bills Payable		8,42,71,897		7,29,62,012
(Working Capital facility secured by entire stocks, receivable and all current assets of the company and fixed assets being Land, Building & Plant and Machinery at Plot No. 3123,3124,3125 & 3126 at GIDC Chhatral Taluka Kalol Gujarat and ceding subservient charge in favour of lender in note 3 (ii) (b) above and collaterally secured by residual value of fixed assets charged for term loan as primary security & charge over three flats, building at Plot No. 3122 GIDC Chhatral Gujarat and office premises owned by a director and guaranteed by the two directors of the company.)				
<b>(B) Secured facilities from Bank</b>				
(Pre-Shipment/Post Shipment facility secured by by first charge of plot located at Mouje Makarba, Taluka Vejalpur Dist.- Ahmedabad Revenue Survery No.702/6/3 owned by a Director, is gauranted by two directors of the company and owner of the property.		9,39,03,619		9,92,29,247
<b>Total</b>		<b>84,51,70,453</b>		<b>91,73,61,030</b>

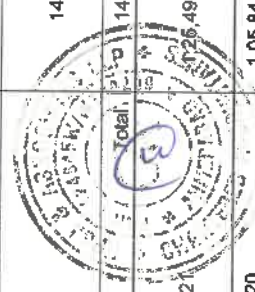


<b>NOTE : '8' TRADE PAYABLE</b>	<b>As at 31st March, 2021 Rs.</b>	<b>As at 31st March 2020 Rs.</b>
Micro, Small & Medium Enterprises	-	-
Others	66,05,44,051	87,75,81,359
<b>Total</b>	<b>66,05,44,051</b>	<b>87,75,81,359</b>
NOTE : '8.1' The disclosure under Micro, small and medium Enterprise Development Act, 2006 in respect of the amounts payable to such enterprises as at 31st, March 2021 has been made in the financials statements based on information received and on the basis of such information the amount due to small and medium enterprises is Nil /- as on 31st March, 2021. No interest is paid or payable to such enterprises. Auditors have relied on the same.		
NOTE : '8.2' Dues to ONGC Ltd , Sabarmati Gas Ltd & UGVCL are against Letter of Credit/ Bank Guarantee		
<b>NOTE : '9' OTHER CURRENT LIABILITIES</b>	<b>March, 2021 Rs.</b>	<b>March 2020 Rs.</b>
(a) Current maturities of Long debts		
Term Loan From Co- Operative Bank	2,71,02,011	1,27,80,461
Term Loan from Financial Institution	5,54,76,536	3,51,30,000
Loan From Bank	6,57,52,810	79,74,232
Loan From NBFC	80,12,231	1,45,84,923
(b) Interest Accrued but not due on borrowings	8,79,439	38,85,474
(c) Others Payables		
Statutory Liabilities	46,89,660	27,82,602
Advances from Customers	85,67,505	72,86,618
Loan from NBFC (Bill Discounting Facilities)	1,36,19,745	1,45,77,343
Capital Goods	3,00,42,939	2,84,52,859
<b>Total</b>	<b>21,41,42,876</b>	<b>12,74,54,512</b>
<b>NOTE : '10' SHORT TERM PROVISIONS</b>	<b>As at 31st March, 2021 Rs.</b>	<b>As at 31st March 2020 Rs.</b>
Gratuity	2,76,455	1,53,476
Leave Encashment	1,43,584	1,14,432
Income Tax (Net of Advance Tax)	-	1,35,57,238
<b>Total</b>	<b>4,20,039</b>	<b>1,38,25,146</b>
10.1* Provision of Income Tax is made after considering depreciation, deduction and allowances allowable under Income Tax Regulations.		



Note '11' Fixed Assets

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	AS AT 01/04/2020	ADDITIONS	DISPOSALS	AS AT 31/03/2021	AS AT 01/04/2020	DURING THE YEAR	RECOUPED	AS AT 31/03/2021	AS AT 31/03/2021	AS AT 31/03/2020	AS AT 31/03/2020	
<b>(a) TANGIBLE ASSETS</b>												
Lease Hold Land	91,44,241	-	-	91,44,241	-	-	-	-	-	91,44,241	91,44,241	91,44,241
Free Hold Land	2,80,29,147	-	-	2,80,29,147	-	-	-	-	-	2,80,29,147	2,80,29,147	2,80,29,147
Buildings	22,01,91,143	10,11,408	-	22,12,02,551	4,42,43,746	69,31,451	-	5,11,75,197	17,00,27,355	17,59,47,397	17,59,47,397	17,59,47,397
Plant and Equipment	92,24,79,346	2,11,93,901	43,55,907	93,93,17,340	33,24,16,875	6,39,04,527	30,92,321	39,32,29,081	54,60,88,259	59,00,62,471	59,00,62,471	59,00,62,471
Electric Installation	3,90,41,640	-	6,93,541	3,83,48,099	2,52,01,347	19,57,756	6,58,864	2,65,00,239	1,18,47,860	1,38,40,293	1,38,40,293	1,38,40,293
Furniture and Fixtures	76,02,038	96,365	-	76,98,403	38,37,962	5,20,114	-	43,58,076	33,40,327	37,64,076	37,64,076	37,64,076
Computer	38,97,473	5,71,043	-	44,68,516	31,87,927	4,24,524	-	36,12,451	8,56,065	7,09,546	7,09,546	7,09,546
Office Equipments	76,56,053	5,02,295	1,97,998	79,60,350	45,55,629	8,21,080	1,88,098	51,88,611	27,71,739	31,00,424	31,00,424	31,00,424
Vehicles	1,55,08,293	-	-	1,55,08,293	76,98,460	16,03,579	-	93,02,039	62,06,254	78,09,833	78,09,833	78,09,833
<b>Total</b>	<b>1,25,35,49,375</b>	<b>2,33,75,012</b>	<b>52,47,446</b>	<b>1,27,16,76,941</b>	<b>42,11,41,946</b>	<b>7,61,63,032</b>	<b>39,39,283</b>	<b>49,33,65,695</b>	<b>77,83,11,246</b>	<b>83,24,07,429</b>	<b>83,24,07,429</b>	<b>83,24,07,429</b>
<b>(b) Capital Work-in-Progress</b>												
Capital work in progress	-	1,33,454	-	1,33,454	-	-	-	-	-	1,33,454	1,33,454	1,33,454
<b>Total</b>	<b>-</b>	<b>1,33,454</b>	<b>-</b>	<b>1,33,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,33,454</b>	<b>1,33,454</b>	<b>1,33,454</b>
<b>Intangible Assets</b>												
	14,12,131	20,000	-	14,32,131	9,70,845	1,34,106	-	11,04,950	3,27,181	4,41,287	4,41,287	4,41,287
<b>Total</b>	<b>14,12,131</b>	<b>20,000</b>	<b>-</b>	<b>14,32,131</b>	<b>9,70,845</b>	<b>1,34,106</b>	<b>-</b>	<b>11,04,950</b>	<b>3,27,181</b>	<b>4,41,287</b>	<b>4,41,287</b>	<b>4,41,287</b>
As at 31st March '2021	1,05,49,61,506	2,35,28,466	52,47,446	1,27,32,42,526	42,21,12,790	7,62,97,137	39,39,283	49,44,70,645	77,87,71,881	83,28,48,715	83,28,48,715	83,28,48,715
As at 31st March' 2020	1,05,84,94,725	36,40,15,262	16,75,48,477	1,25,49,61,509	35,04,00,963	7,47,84,755	30,72,927	42,21,12,791	83,28,48,716	70,80,93,762	70,80,93,762	70,80,93,762



<b>NOTE : '12' NON CURRENT INVESTMENTS</b>	<b>March, 2021 Rs.</b>	<b>March 2020 Rs.</b>
<b>(I) ( As valued,verified &amp; certified by the management )</b>		
<b>Trade Investments - Non Quoted</b>		
<b>(A) Investment in Subsidiaries</b>		
(a) Investment in capital contribution in Mangalam Steel & Alloys Ltd. Vietnam	19,17,88,796	19,17,88,796
<b>(B) Others</b>		
(a) 16000 (16000) Shares of Nutan Nagarik Sahakari Bank Ltd. of Rs. 25 each fully paid	4,00,000	4,00,000
<b>Total</b>	<b>19,21,88,796</b>	<b>19,21,88,796</b>

<b>NOTE : '13' LONG TERM LOANS AND ADVANCES</b>	<b>As at 31st March, 2021 Rs.</b>	<b>As at 31st March 2020 Rs.</b>
<b>( Unsecured, considered good )</b>		
Security/Earnest Money Deposits	2,81,407	3,03,067
Advances to Supplier	29,50,483	29,50,483
<b>Total</b>	<b>32,31,890</b>	<b>32,53,550</b>

<b>NOTE : '14' INVENTORIES</b>	<b>As at 31st March, 2021 Rs.</b>	<b>As at 31st March 2020 Rs.</b>
<b>(As verified, valued and certified by management)</b>		
(a) Raw Materials	9,12,69,377	7,24,00,527
(b) Work-in-progress	14,76,05,599	22,03,36,746
(c) Finished Goods	94,71,32,602	88,20,47,513
(d) Stores & Spares	9,35,45,835	8,40,20,270
<b>Total</b>	<b>1,27,95,53,412</b>	<b>1,25,88,05,056</b>

14.1 Method of Valuation of inventory is lower of cost or net realizable value

<b>NOTE : '15' TRADE RECEIVABLES</b>	<b>As at 31st March, 2021 Rs.</b>	<b>As at 31st March 2020 Rs.</b>
<b>Unsecured and considered good</b>		
(a) Debts outstanding over six months from the due date for payment(Certified by Management debtors are good & recovered)	11,98,14,862	13,81,04,470
(b) Other Debts (Includes to subsidiary Rs. 2,43,69,253/- (Pr. Yr-Rs.2,90,37,887/-)	47,45,16,312	61,68,83,599
	59,43,31,174	75,49,88,069
Less: Provision for Doubtful debts	(7,36,198)	(7,36,198)
<b>Total</b>	<b>59,35,94,976</b>	<b>75,42,51,871</b>



NOTE : '16' CASH AND BANK BALANCES		As at 31st March, 2021 Rs.	As at 31st March 2020 Rs.
(i) Cash & Cash Equivalents			
	(a) Cash in Hand	52,674	3,41,516
	(b) Balances with Banks In Current Accounts	29,76,803	46,95,588
(ii) Other bank balance			
	Fixed Deposit as margin for commitments	1,67,74,656	1,58,22,702
	<b>Total</b>	<b>1,98,04,134</b>	<b>2,08,59,806</b>

NOTE : '17' SHORT-TERM LOANS AND ADVANCES		As at 31st March, 2021 Rs.	As at 31st March 2020 Rs.
( Unsecured, considered good )			
	Excise	13,26,882	13,26,882
	GST	4,36,51,491	3,88,27,000
	VAT	2,00,000	38,52,404
	Service Tax	1,19,772	1,19,772
	Custom Duty	56,47,718	48,10,429
	Income Tax	35,56,566	21,68,660
	Advances to Others	3,03,34,993	1,64,40,641
	Less : Provision for doubtful Advance	(20,00,000)	(20,00,000)
	Prepaid Expenses	1,33,74,903	1,07,21,884
	Advance to Suppliers	8,83,55,693	5,82,78,461
	Advances to Employees	36,10,593	25,59,377
	<b>Total</b>	<b>18,81,78,610</b>	<b>13,71,05,510</b>

NOTE : '18' OTHER CURRENT ASSETS		As at 31st March, 2021 Rs.	As at 31st March 2020 Rs.
	Accrued Income	15,53,681	13,84,696
	Export Benefits	3,53,09,742	2,32,56,733
	MAT Credit Available	2,89,21,073	3,18,54,147
	<b>Total</b>	<b>6,57,84,496</b>	<b>5,64,95,576</b>

NOTE : '19' REVENUE FROM OPERATIONS		31st March 2021 Rs.	As at 31st March 2020 Rs.
(a) Sale of Products			
Sale of Stainless Steel Products			
	Flat/Patti	54,27,77,085	1,06,92,56,631
	Roundbar	47,51,86,318	72,19,54,758
	Brightbar	1,01,78,75,113	94,31,41,705
	Anglebar	28,26,73,960	34,64,32,809
	Others	29,77,64,346	31,48,00,008
(b) Sale of Services			
	Job Work Receipt	4,96,73,940	1,21,60,536
(c) Other Operating Income			
	Export Benefits	4,66,13,907	5,13,14,252
	Testing Charges	22,774	47,268
	<b>Total</b>	<b>2,71,25,87,442</b>	<b>3,45,91,07,967</b>





NOTE : '20' OTHER INCOME		31st March 2021 Rs.		As at 31st March 2020 Rs.
Interest		24,01,939		18,43,934
Dividend Income		-		48,000
Profit on Sale of Assets		39,73,282		14,57,549
Liability Written back		1,04,609		13,49,252
	<b>Total</b>	<b>64,79,830</b>		<b>46,98,735</b>
NOTE : '21' COST OF MATERIAL CONSUMED		31st March 2021 Rs.		As at 31st March 2020 Rs.
Opening Stock	7,24,00,527		8,19,86,637	
Add : Purchase				
Scrap and Ferro Alloys	1,28,92,04,019		1,26,47,26,063	
Ingots	48,03,06,965		1,22,21,22,810	
Others	18,92,85,565		18,75,20,816	
	2,03,11,97,076		2,75,63,56,325	
Less : Closing Stock	9,12,69,377		7,24,00,527	
Consumption		1,93,99,27,700		2,68,39,55,798
	<b>Total</b>	<b>1,93,99,27,700</b>		<b>2,68,39,55,798</b>
NOTE : '22' (Increase)/ Decrease in Inventory of Stock in Trade		31st March 2021 Rs.		As at 31st March 2020 Rs.
<b>VARIATION IN STOCK:</b>				
Opening Stock of:				
Semi-finished Goods		22,03,36,746		30,13,60,914
Finished Goods		88,20,47,513		56,13,10,902
		1,10,23,84,259		86,26,71,816
Less: Closing Stock of				
Semi-finished Goods		14,76,05,599		22,03,36,746
Finished Goods		94,71,32,602		88,20,47,513
		1,09,47,38,200		1,10,23,84,259
(Increase) / Decrease in Inventory of Stock in Trade		<b>76,46,059</b>		<b>(23,97,12,443)</b>
NOTE : '23' EMPLOYEE BENEFIT		31st March 2021 Rs.		As at 31st March 2020 Rs.
Salaries & Wages		18,20,02,584		20,55,19,656
Executive Director Remuneration		63,75,000		81,00,000
Contributions to Provident and Other Funds		40,98,397		55,93,651
Staff Welfare Expenses		46,52,271		35,46,123
	<b>Total</b>	<b>19,71,28,252</b>		<b>22,27,59,430</b>



NOTE : '24' OTHER EXPENSES		31st March 2021 Rs.		As at 31st March 2020 Rs.
<b>MANUFACTURING EXPENSES:</b>	Rs.		Rs.	
Consumable Stores & Spares	11,70,15,815		12,30,46,351	
Job Charges	1,90,01,159		2,59,16,562	
Maintenance & Repairs	80,67,695		73,95,186	
Power and Fuel	17,50,00,023		23,15,59,282	
Water Charges	2,03,579		2,12,623	
Testing Charges	79,879		1,16,020	
Rate and Taxes	7,08,141		29,13,314	
Freight and Cartage	65,77,136		1,05,24,827	
Electricity Expenses	588		9,680	
Pollution Control Expenses	5,24,538		12,71,002	
		32,71,78,353		40,29,64,847
<b>ADMINISTRATIVE &amp; SELLING EXPENSES:</b>				
Clearing, forwarding and Freight on Export	6,05,25,348		4,27,67,362	
Sales Commission	97,31,597		1,44,98,783	
Freight Outward	65,28,243		1,18,93,681	
Insurance	40,99,489		31,07,338	
ECGC Premium	36,04,286		49,13,787	
Printing and Stationery	8,83,591		8,34,367	
Travelling Expenses	3,36,428		69,56,411	
Miscellaneous Expenses	1,67,823		31,59,030	
Advertisement Expenses	-		46,222	
Bank Commission & Charges	1,41,44,619		1,52,97,182	
Sales Tax	18,08,286		5,26,164	
Donation	-		70,000	
Rent	12,46,200		20,10,714	
CSR Expense	24,17,500		-	
Legal and Professional Charges	88,00,247		95,95,016	
Postage & Couriers Expenses	13,61,224		19,15,299	
Car and Scooter Expenses	12,91,064		14,67,584	
Loss on Sale of Assets	-		5,05,000	
Balance Written off	-		1,97,538	
Discount and Kasar	39,96,776		67,38,863	
Tele communication Expenses	4,19,506		5,96,567	
Research & Development Expenses (Refer Note 35)	1,52,34,394		15,36,471	
Director sitting Fees	40,000		1,40,000	
Net loss / (gain) on Exchange rate variation	(1,21,95,361)		(2,26,95,812)	
Payment to Auditors (Refer Note '24 A')	5,81,500		9,00,000	
		12,50,24,759		10,69,77,586
<b>Total</b>		<b>45,22,03,112</b>		<b>50,99,42,433</b>

NOTE : '24 A' PAYMENT TO AUDITORS		31st March 2021 Rs.		As at 31st March 2020 Rs.
Audit fee		5,50,000		6,50,000
Other Services & Reports		31,500		2,50,000
<b>Total</b>		<b>5,81,500</b>		<b>9,00,000</b>

NOTE : '25' FINANCIAL COSTS		31st March 2021 Rs.		As at 31st March 2020 Rs.
Interest		12,52,46,031		13,04,35,629
Exchange Rate Variations		1,12,04,865		4,21,126
		<b>13,64,50,895</b>		<b>13,08,56,755</b>

NOTE : '26' Contingent liabilities in respect of		As at 31st March 2021 Rs.		As at 31st March 2020 Rs.
Disputed Electricity Liability		29,50,483		29,50,483
Disputed Custom Duty/Service Tax in Appeal		27,40,867		49,03,489
Disputed Income Tax liability		80,39,069		80,39,069
Disputed VAT Tax Liability		57,13,066		-
Claims not acknowledged as debts		7,23,000		7,23,000



NOTE : '27' The estimated amount of Capital and other Commitments	As at 31st March 2021 Rs.		As at 31st March '2020 Rs.
The estimated amount of Capital commitment a) for fixed assets			
NOTE : '28' In the opinion of the Management, the assets other than Fixed Assets and Non Current Investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these financial statements. Reconciliation of			
NOTE : '29' Expenditure in foreign currency on account of :	As at 31st March 2021 Rs.		As at 31st March 2020 Rs.
Travelling Expense	-		16,52,832
Agency Commission	79,86,955		1,34,24,893
Legal & Professional Fees	1,50,305		2,75,254
Others	37,77,029		45,50,472
NOTE : '30' C.I.F. value of Imports :	As at 31st March 2021 Rs.		As at 31st March '2020 Rs.
Raw Materials	35,31,81,132		15,00,23,129
Capital Goods	-		11,10,25,148
Consumable Stores & Spares	35,56,975		-
NOTE : '31' Composition of Raw Materials consumed & percentage (%)	As at 31st March 2021 Rs.		As at 31st March 2020 Rs.
Imported (Includes High Seas Purchase)	Rs. 36,62,86,054 % 18.88		18,60,65,214 6.93
Indigeneous	Rs. 1,57,36,41,646 % 81.12		2,49,78,90,584 93.07
Total %	1,93,99,27,700 100.00		2,68,39,55,798 100.00



NOTE : '32' Earning in foreign exchange on account of:	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
Direct Export calculated on F.O.B. basis	1,27,84,34,010	1,28,03,50,890

**NOTE : '33' Retirement benefit plan**

**a) Defined Contribution Plan**

The Company made contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The company Recognized Rs. 24,55,152/- (30,07,412)/- for provident fund contributions in the profit & loss account. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

**b) Defined Benefit Plans**

The Company made provision for gratuity liability which is unfunded. The scheme provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit method as per actuarial valuation carried out at the balance sheet date.

The following tables sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the company's financial statements as at 31st March, 2021.

		As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
i)	<b>Change in present value of obligations :</b>		
	Obligations at beginning of the year	43,61,067	47,65,637
	Service cost	9,97,165	8,05,291
	Past Service Cost	-	-
	Interest cost	2,97,425	3,70,767
	Net Actuarial (gain) / loss	(10,60,045)	(13,705)
	Benefits paid	(99,893)	(15,66,923)
	Obligations at the end of the year	44,95,719	43,61,067
ii)	<b>Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>		
	Present value of the defined benefit obligation at the end of the year	44,95,719	43,61,067
	Less : Fair value of plan assets	-	-
	Unfunded status amount of liability recognized in the balance sheet	44,95,719	43,61,067
iii)	<b>Gratuity cost</b>		
	Service Cost	9,97,165	8,05,291
	Past Service Cost	-	-
	Interest cost	2,97,425	3,70,767
	Net Actuarial (gain) / loss	(10,60,045)	(13,705)
	Net gratuity cost charged to profit & loss	2,34,545	11,62,353
iv)	<b>Assumptions :</b>		
	Discount rate	% 6.82	7.78
	Annual Increase in salary costs	% 6.50	6.50



**NOTE : '34' Related Party disclosure having transaction with the company as required by Accounting Standard-18, is as below :**

- a) List of related parties as per Accounting Standard-18
- (i) Associate and Concern having Significant influence :  
Meghdyoti Impex Pvt. Ltd.  
Unison Metals Ltd, Chandanpani Private Limited
- (ii) Subsidiary Company :  
Mangalam Steel & Alloys Ltd., Vietnam
- (iii) Key Managerial person & their relatives  
U.C. Mehta, Tushar Mehta, Megha Mehta, Gaurav Kumar Rathore, Manmeetkaur Bhatia
- b) The following transactions were carried out with related parties in the ordinary course of business :

Sr. No.	Particulars	Type of relationship	Transactions during the year		Balance Outstanding as on	
			Current Year 31/03/2021	Previous Year 31/3/2020	Current Year 31/03/2021	Previous Year 31/3/2020
1	Remuneration to Key Management Personnel & Their Relatives	a (iii)	83,72,962	1,08,29,729	6,47,286 (Cr)	4,97,577 (Cr)
2	Interest Paid	a (i) & (iii)	16,79,646	19,52,677	- (Cr)	- (Cr)
3	Unsecured Loan Taken	a (i) & (iii)	71,96,000	1,28,75,000	2,74,81,834 (Cr)	2,60,24,704 (Cr)
4	Unsecured Deposits repaid back	a (i) & (iii)	72,92,542	1,96,62,758	-	-
5	Rent	a (iii)	-	1,35,000	-	1,35,000 (Cr)
6	Deposit on Rent	a (iii)	-	-	-	15,000 (Dr)
7	Advance to Key Management Person	a (iii)	15,83,000	5,00,000	15,83,000 (Dr)	7,32,500 (Dr)
8	Advance Payment for Goods	a (ii)	25,21,839	-	25,21,839 (Dr)	-
9	Purchase	a(i) & a (ii)	1,42,74,129	35,76,50,437	-	11,50,37,487 (Cr)
10	Sales	a(i) & a (ii)	15,84,05,315	30,51,16,852	7,88,95,836 (Dr)	9,46,64,272 (Dr)
11	Fixed Assets Sales	a (ii)	39,39,241	13,36,836	- (Dr)	- (Dr)
12	Shares issued	a (iii)	3,00,00,012	-	-	-

**NOTE : '35' The company in its In house research & development has incurred the following expenditure :**

PARTICULARS	31st March, 2021	31st March, 2020
A Capital Expenditure		
Plant & Machinery	3,54,900	19,01,951
B Revenue Expenditure	1,66,48,044	2,69,46,621
	<u>1,70,02,944</u>	<u>2,88,48,572</u>

During the year Revenue Expenditure of Rs. 1,66,48,044/- and Revenue Income of Rs. 14,13,650/- and in Note No. 24 Net off Balance of Rs. 1,52,34,394/- is shown.

During the Previous year Revenue Expenditure of Rs. 2,69,46,621 and Revenue Income of Rs. 2,54,10,151/- and in Note No. 24 Net off Balance of Rs. 15,36,470/- is shown.



**NOTE : '36'** The Management is of the opinion that as on the Balance sheet date, there are no indications of material impairment loss on Fixed Assets, hence, the need to provide for impairment loss does not arise.

**NOTE : '37'** There is only one segment " Stainless steel Products" and therefore other disclosure requirement of Accounting Standard 17 for Segement reporting does not apply.

**NOTE : '38'** Corporate Social Responsibility (CSR) amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is Rs. 25,45,389/- (Previous Year 24,17,381/-) However, the company has spent 24,17,500 during the financial year 2019-20. The company is planning to spend amount of Rs. 25,45,389/- in the current financial year 2021-22.

**NOTE : '39'** Impact of Covid-19  
The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruption in transportation, supply-chain, travel bans, quarantines, social distancing and other emergency measures.  
The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising of Trade receivables, Loans and Advances and Property, Plant and Equipment as at the balance sheet date and has concluded that there are no material adjustments required in the Financial Statements.

**NOTE : '40'** GST Payable and Receivable booked on the basis of CGST, SGST and IGST act and all working done as per respective act and also follow the requirement of the act. GST Balance is Subject to the reconciliation of Annual GST Return.

**NOTE : '41'** Previous year's figures have been regrouped or rearranged wherever considered necessary.

**Significant Accounting Policies/Notes to Financial Statements "1 to 41"**

As per our report attached  
For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
Firm's Registration No.124845W / W100209

For and on behalf of Board of Directors



(KEDAR LADDHA)  
Partner  
M.No.101886  
UDIN: 21101886AAAAALH1145  
Date: 02/11/2021  
Place: Ahmedabad





(Tushar Mehta)  
Managing Director  
DIN: 00187046



(Uttamchand Mehta)  
Director  
DIN: 00153639



(Gaurav Kumar Rathore)  
Chief Financial Officer



(Manmeetkaur Bhatia)  
Company Secretary

Date: 02/11/2021  
Place: Ahmedabad