

2
ANNUAL REPORT

MAGICUT TOOLS LIMITED

FOR THE YEAR

2009-2010

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF MAGICUT TOOLS LIMITED WILL BE HELD ON THURSDAY, THE 30TH DAY OF SEPTEMBER, 2010 AT SURVEY NO.26, TEMBHODE SHIRGAON ROAD, DHANSAR VILLAGE, PALGHAR-401 404 AT 9.30 A.M. TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended September 30, 2010.
3. To re-appoint Auditors and fix their remuneration.
4. Any other business with permission of chair.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. The proxy form duly completed must reach the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the items of Special Business to be transacted at the meeting is annexed hereto.
3. All documents referred to in the accompanying notice and the explanatory statement is open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.

4. The dividend on Equity Shares for the year ended 31st March, 2010, if declared will be paid

- a) to those members, holding shares in physical form, whose names appear in the Register of Members as on 23rd September 2010.
- b) in respect of shares held in electronic mode, on the basis of beneficial ownership, as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 23rd September 2010

5. The Register of Members and the Share transfer books of the Company will remain closed from 23rd September 2010 to 30th September 2010 (both days inclusive).

6. Members holding shares in physical form are requested to advise about change of address to Sharex Dynamic (I) Private Limited. Members holding shares in electronic form are requested to intimate their respective Depository Participants (DP) about any change of address or Bank mandate and not to the Company or Registrar and Transfer Agents.

7. Members / proxies should bring their attendance slip duly completed for attending the meeting.

8. Members who have not yet encashed their dividend warrants for the year 2006-2007, 2007-2008 and 2008-2009 are advised to forward such warrants to the Registered Office for revalidation. Pursuant to the provisions of Section 205A of the Companies Act, 1956 dividend, which remains unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government.

Mumbai
8th September 2010

By Order of the Board of Directors



Ravi Gupta
Managing Director

Regd. Office:
Survey No.26,
Tembhode Shirgaon Road,
Dhansar Village,
Palghar- 401404

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**Explanatory Statement
(Pursuant to Section 173(2) of the Companies Act, 1956)**

There is no Special Business to be discussed at the meeting.

Mumbai
8th September 2010

By Order of the Board of Directors



**Ravi Gupta
Managing Director**

Regd. Office:
Survey No.26,
Tembhode Shirgaon Road,
Dhansar Village,
Palghar- 401404

DIRECTORS' REPORT

The Members,

The Board of Directors is pleased to present the Annual Report of your Company together with the audited financial statements for the year ended March 31st 2010.

Financial highlights:

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Sales and other Income	23,15,37,965	11,96,89,999
Profit before Tax	70,70,812	91,82,697
Net Profit after Taxation	37,60,481	49,38,056
Add/(Less): Development rebate reserve written back	-	25,884
Add/(Less): Investment allow unit reserve written back	-	8,90,163
Add/(Less): Provision for income Tax for earlier years	-	-
Add/(Less): Balance brought forward from Previous Year	(83,48,330)	(1,42,02,433)
Balance carried to Balance Sheet	(45,87,849)	(83,48,330)

Dividend:

The Board of Directors at its meeting held on May 25, 2010 declared dividend 0.30 Paise per equity share having face value of Rs. 10/- each. The total dividend pay-out for the financial year 2009-10 (including dividend distribution tax) will be Rs. 14,55,340/-

Operations & Performance:

During the year ended **31st March, 2010**, your Company achieved a total income aggregating to Rs. **23,15,37,965/-** as compared to Rs. **11,96,89,999/-** during the previous year ended 31st March, 2009.

Although the Company maintains adequate internal control systems covering all its operation areas. The Directors are putting in their efforts and are hopeful of improved working during the years to come.

Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

Auditors:

M/s. Girish Patel & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

Auditors' Report:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2010 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Corporate Governance:

Your Company complies with all mandatory requirements as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges. The Report on Corporate Governance along with the Auditors Certificate on its compliance, forms part of this Report and is annexed hereto.

Directors' Responsibility Statement:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts for the year ended March 31, 2010 have been prepared on a going concern basis.

Public Deposits:

The Company has not accepted any deposits from public.

Particulars of Employees:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Secretarial Compliance Certificate:

The Secretarial Compliance Certificate issued by Practicing Company Secretaries, pursuant to the requirement of proviso to sub-section (1) of section 383A of the Companies Act, 1956 is enclosed.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

A) Conservation of Energy and Technology Absorption:

Information as per the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are forming part of this Report and is annexed hereto.

B) Foreign Exchange Earnings & Outgo:

PARTICULARS	2009-2010	2008-2009
Foreign Exchange Earning	3,18,77,811	45582771
Foreign Exchange Outgo	4,10,40,555	37201498

Acknowledgements:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the investors, Financial Institutions, Banks, and Statutory Authorities, Customers. Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

For and on behalf of the Board



Place: Mumbai
Date : 25th May 2010

NARENDRA GUPTA
CHARIRMAN

MAGICUT[®]

MAGICUT TOOLS LIMITED

ACCOUNTS

FOR THE YEAR

2009-10

REPORT OF THE AUDITOR'S TO THE MEMBERS.

We have audited the attached Balance Sheet of **M/s. Magicut Tools Ltd.**, as at 31st March, 2010 and also the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management, our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper looks of accounts as required by law have been kept by the Company so far as appears from our examination of those books.



Girish Patel & Co.

CHARTERED ACCOUNTANTS

F-103/104, Patel Nagar, M. G. Road, Kandivali (W), Mumbai - 400 067. • Tel. : 2807 5966, Cell : 98215 78487

- iii. The Balance Sheet and Profit and loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
- iv. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act 1956.
- v. On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - 1) in the case of the Balance Sheet, of the state of affairs of the company at 31st March, 2010.
 - 2) in the case of the Profit and Loss Account, of the profit for the year ended on 31st March, 2010.
 - 3) in the case of the Cash Flow Statement of the company for the year ended on 31st March, 2010.

For GIRISH PATEL & CO.
(CHARTERED ACCOUNTANTS)



R. Patel
PROPRIETOR

M.NO.16743

Place: Mumbai.

Date : 25/05/2010

ANNEXURE TO THE AUDITORS REPORT

(statement referred to in paragraph 2 of our Report of even date on accounts of MAGICUT TOOLS LTD. for the year ended 31st March, 2010

1. Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a regular program of physical verification of its fixed Assets. In our opinion periodicity of physical verification is reasonable having regard to the size of the company and nature of Fixed Assets. No material discrepancies were noticed on such verifications.
- (c) The company has not disposed off substantial part of fixed assets during the year.

2. Inventories:

- (a) Inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedure of the verification of inventories by the management are reasonable and adequate in relation to the size of the company and natures of its business.
- (c) In our opinion, the company is maintaining proper records of the inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.

3. The company has taken/given interest free loans repayable on demand from/to companies/firms covered in the register maintained under section 301 of the Companies Act, 1956. The details whereof is as under:

	<u>LOANS TAKEN</u>	<u>LOANS GIVEN</u>
No. of Parties	7	8
Maximum Amount	Rs. 15708609.	Rs. 1771043
Year end Balance	Rs. 4166000	Rs. 94690

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of trading goods and with regards to sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal controls procedure.



In our opinion and according to the information and explanation given to us the company has entered into transactions for purchase of goods, materials or services and sale of goods, materials or services aggregating to Rs.500000/- or more from parties covered under section 301 of the companies Act, 1956. Prices paid for such goods are reasonable having regard to terms and conditions of purchases as compared with purchases fro other parties.

- 6 In our opinion, and according to the information and explanations given to us, the company has not accepted new deposits from public in contravention of provisions of section 58A of the Companies Act, 1956 and companies acceptance of deposits rules 1975.
- 7 In our opinion, the company has Internal Audit System during the year.
- 8 To the best of our knowledge and belief, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of activities carried on by the company.
- 9 (a) The company has been regular in depositing undisputed statutory dues including provident Fund, Investor Education and protecting Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities in India.
(b) At the end of the financial year there were no undisputed amounts payable in respect of Sale Tax, Central sales tax, Income tax and Custom duty at the year end for period of more than six months from the date they become payable.
- 1 The company has not incurred cash loss in the current year and there are accumulated loss of Rs.3072509 at the year end.
- 1 In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to its bankers.
- 1 The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 1 As the company is not a chit fund, nidhi mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 1 In our opinion and according to the information and explanations given to us, the company is not dealer or trader in securities.
- 1 According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions, the terms and conditions where of, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- 1 The company has taken term loan during the year. The loan taken used for the purpose for which it was taken,



17. According to the information and explanations given to us and on an examination of the Balance Sheet of the company, we report that no funds raised on a short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has not raised any funds by way of debenture during the year.
20. The company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books of account carried on in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor we have been informed by the management of any such instance being noticed or reported during the year.



For GIRISH PATEL & CO.
(CHARTERED ACCOUNTANTS)

Girish Patel
PROPRIETOR.

Place : Mumbai.
Date : 25/05/2010

M.NO.16743

M/S MAGICUT TOOLS LIMITED
BALANCE SHEET AS ON March 31st, 2010

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
I. SOURCE OF FUNDS			
A. SHARES HOLDER'S FUND			
a.Share Capital	1	61,660,900	61,660,900
b.Reserve and Surplus	2	27,458,131	27,458,131
B. LOAN FUND			
a.Secured Loan	3	87,250,508	61,537,028
b.Unsecured Loan	4	13,661,309	3,411,645
Deffered Tax Liability		3,025,061	3,025,061
TOTAL FUNDS EMPLOYED		193,055,909	157,092,765
II. APPLICATION OF FUNDS			
A. FIXED ASSETS			
Gross Block	5	73,580,969	69,177,155
Less : Depreciation		20,228,223	19,297,764
Net Block		53,352,746	49,879,391
B. GOODWILL			
		6,750,000	7,500,000
C. INVESTMENTS			
	6	59,991	59,991
D. CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	7	85,845,325	72,318,936
b. Sundry Debtors		108,505,909	21,794,547
c. Cash & Bank Balance		3,006,922	2,006,798
d. Loans & Advances		34,792,337	22,118,809
TOAL CURRENT ASSETS		232,150,494	118,239,090
E. LESS : CURRENT LIABILITIES & PROVISIONS			
	8	103,845,171	26,956,997
F. NET CURRENT ASSETS		128,305,323	91,282,093
F. PROFIT AND LOSS ACCOUNT			
		4,587,849	8,348,330
G MISC EXPENDITURE (to the extent not written off)			
		-	22960
TOTAL APPLICATION OF FUNDS		193,055,909	157,092,765

Significant accounting policies and notes to accounts - 12
The schedules referred to above and the notes therein form an integral part of the accounts

AS PER REPORT OF EVEN DATE

M/S GIRISH PATEL & CO.

CHARTERED ACCOUNTANTS
REGISTRATION NO.-10321/W

PROPRIETOR

MEMBERSHIP NO: 16743

PLACE : MUMBAI

DATE : 25.05.2010



For and on behalf of Board of Directors of
MAGICUT TOOLS LIMITED

[Signature]
CHAIRMAN
[Signature]
DIRECTOR

M/S MAGICUT TOOLS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED March 31st, 2010

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
I. INCOME			
Sales & Other Income	9	231,537,965	119,689,999
Increase \ (Decrease) in Stock of Trading, Finished, Goods & Work in progress		5,341,726	9,764,636
		236,879,691	129,454,635
II. EXPENDITURE			
Manufacturing & Other expenses	10	218,422,956	111,458,604
Interest & Financial Charges	11	10,455,464	7,862,907
		228,878,420	119,321,511
III. Profit/(Loss) Before Depreciation		8,001,271	10,133,124
IV. Depreciation		930,459	950,427
V. Profit/(Loss) Before Taxation		7,070,812	9,182,697
VI. Less:			
-Provision for Income Tax			945,818
-Provision for FBT		1,060,000	157,986
-Income Tax		14,912	-
-Earlier Short/ Excess Provision		7,119	-
-Provision for Deferred Tax Liability		-	115,776
-Goodwill written off		-	3,025,061
-Expenditures written off		750,000	-
-Provision for Dividend		22,960	-
-Provision for Tax Dividend		1,243,980	-
		211,360	-
VII. Add:			
Transfer from reserve account			25,884
-Development rebate utilization reserve			890,163
-Investment allowances utilization reserve			-
VIII. Profit / (Loss) after Taxation		3,760,481	5,854,103
IX. Profit/ (Loss) Brought Forward		(8,348,330)	(14,202,433)
X. Balance Profit/ (Loss) transferred to Balance sheet		(4,587,849)	(8,348,330)

Significant accounting policies and notes to accounts - 12
The schedules referred to above and the notes therein form an integral part of the accounts

AS PER REPORT OF EVEN DATE
M/S GIRISH PATEL & CO.

CHARTERED ACCOUNTANTS
REGISTRATION NO.-163221W

PROPRIETOR

MEMBERSHIP NO: 16743

PLACE : MUMBAI

DATE : 25.05.2010



For and on behalf of Board of Directors of Magicut
Tools Limited

(Signature)
CHAIRMAN
(Signature)
DIRECTOR

		M/S MAGICUT TOOLS LIMITED			
Cash Flow Statement for the Year Ended 31st March, 2010		Year Ended 31.03.2010		Year Ended 31.03.2009	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash Flow from Operating Activities					
Profit Before Tax and Extraordinary items (as per Profit and Loss Account)			7,070,812		9,182,697
Adjustment for:					
Depreciation					
Miscellaneous Expenditure written off			930,459		950,427
Operating Profit before Working Capital Changes			-		2,839,973
Adjustment for:			8,001,271		12,973,097
(Increase)/ Decrease in Inventories					
(Increase)/ Decrease in Sundry Debtors			(13,526,389)		(51,870,809)
(Increase)/ Decrease in Other Receivable			(86,711,362)		(21,464,350)
Increase/(Decrease) in Sundry Creditors			(12,673,528)		1,931,721
Cash Generated From Operations			76,888,174		25,844,418
Income Tax Paid			(28,021,835)		(32,585,923)
Cash Inflow Before Prior Period Adjustments			2,537,371		1,219,580
Less: Prior Period Adjustment/ Amalgamation Adjustment			(30,559,206)		(33,805,503)
Net Cash from Operating Activities		A	(30,559,206)		(12,797,140)
Cash Flow from Investing Activities					
Acquisition of Fixed Assets					
Net Cash from Investing Activities		B	(4,403,814)		(21,572,260)
Cash Flow from Financing Activities					
Proceeds from issue of Equity Shares					
Proceeds from Secured Loan					17,500,000
Proceeds from Unsecured Loan			25,713,480		24,892,583
Net Cash from Financial Activities		C	10,249,664		1,917,832
Net Increase in Cash and Cash Equivalents (A+B+C)			35,963,144		44,310,415
Cash and Cash Equivalents - Opening Balance			1,000,124		1,729,792
Cash and Cash Equivalents - Closing Balance			2,006,798		277,006
			3,006,922		2,006,798

As per our Report of even date attached

M/S GIRISH PATEL & CO.

CHARTERED ACCOUNTANTS
REGISTRATION NO. - 10322147

PROPRIETOR

MEMBERSHIP NO: 16743

PLACE : MUMBAI

DATE : 25.05.2010



For and on behalf of Board of Directors of Magicut
Tools Limited

[Signature]
CHAIRMAN

[Signature]
DIRECTOR

M/S MAGICUT TOOLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 1

DESCRIPTION	As at 31.03.2010	As at 31.03.2009
SHARE CAPITAL :		
Authorised 65,00,000 (P.Y. 55,00,000) Equity Shares of Rs.10 each	65,000,000	65,000,000
Total	65,000,000	65,000,000
Issued Subscribed & Paid up 50,00,000 (P.Y. 50,00,000) Equity Shares of Rs.10 each Less: Allotment money in arrears	50,000,000 5,839,100 44,160,900	50,000,000 5,839,100 44,160,900
Share Capital Suspenses Account 17,50,000 Equity shares of Rs.10/ each allotment to be made pursuant to the scheme of amalgamation	17,500,000	17,500,000
Total	61,660,900	61,660,900

SCHEDULE - 2

DESCRIPTION	As at 31.03.2010	As at 31.03.2009
RESERVES & SURPLUS :		
Revaluation Reserve Fund At the Commencement of the year Add / Addition (Deduction) during the year Closing Balance	3,281,781 3,281,781	3,281,781 3,281,781
Share Premium Less: share Premium in Arrears Closing Balance	19,625,000 (4,698,650) 14,926,350	19,625,000 (4,698,650) 14,926,350
Capital Reserve At the Commencement of the year Add Addition (Deduction) during the year Closing Balance	9,250,000 9,250,000	9,250,000 9,250,000
Total	27,458,131	27,458,131



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M/S MAGICUT TOOLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 3		
DESCRIPTION	As at 31.03.2010	As at 31.03.2009
SECURED LOANS:		
*Term Loan A/c	11,195,864	9,887,481
** Cash Credit A/c	75,286,111	42,887,230
***Packing Credit A/c		1,825
****Punjab National Bank Motor car loan	768,533	1,028,492
Total	87,250,508	61,537,028
<p>* Term Loan account secured by hypothecation of machinery and further secured by personal guarantee of some of directors and equitable mortgage of fixed assets situated as its factory.</p> <p>** Cash Credit account secured by hypothecation of raw materials, work in progress and finished goods, Book debts and further secured by personal guarantee of some of directors and equitable mortgage of fixed assets situated as its factory.</p> <p>*** Book debts account secured by hypothecation of Book Debts and further secured by personal guarantees of some of directors and equitable mortgage of fixed assets situated as its factory.</p> <p>**** Represents loan taken from PNB against hypothecation of Motor Car</p> <p>Note : Dues Outstanding to Bank for various Credit facilities have been shown as 'Secured' pending ascertainment of realisable value of assets hypothecated to them.</p>		
SCHEDULE - 4		
DESCRIPTION	As at 31.03.2010	As at 31.03.2009
UNSECURED LOANS:		
From Others	13,661,309	3,411,645
Total	13,661,309	3,411,645



M/S MAGICUL TOOLS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE - 5

FIXED ASSETS:

Description	Gross Block			Depreciation Block		Net Block		
	As at 1.04.09	Additions on account of merger	Other Additions	Deductions	As at 31.03.10	For the Year	As at 31.03.10	As at 31.03.09
Lease Hold Land	6,639,952	-	-	-	-	-	6,639,952	6,639,952
Building	7,209,265	-	-	-	2,245,326	-	4,963,939	4,963,939
Plant & Machinery	43,394,245	3,966,982	-	-	9,737,429	568,059	37,055,739	33,656,816
Electrical Installation	3,084,547	-	-	-	1,930,602	9,018	1,939,620	1,153,945
Laboratory Equipments	2,631,147	-	-	-	1,707,584	-	1,707,584	923,563
Furniture & Fixtures	414,153	45,675	-	-	216,661	31,287	247,948	211,880
Cutters Accessories	2,009,759	-	-	-	1,382,626	-	1,382,626	627,133
Factory Equipments	129,283	-	-	-	48,447	-	48,447	80,836
Office Equipments	720,192	15,000	-	-	629,728	5,664	635,392	90,464
Air condition	198,199	56,404	-	-	735,192	15,755	112,854	101,103
Computer	224,967	290,753	-	-	97,099	49,654	141,749	60,915
Mobile Phones	116,707	29,000	-	-	164,052	14,983	302,014	79,153
Motor Cars	2,404,739	-	-	-	37,554	236,039	93,170	1,304,083
Total	69,177,155	4,403,814	-	-	73,580,969	930,459	53,352,746	49,879,391
Previous Year	55,104,895	3,914,438	-	-	55,104,895	950,427	16,681,881	38,423,014



Signature

M/S MAGICUT TOOLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 6		
DESCRIPTION	As at 31.03.2010	As at 31.03.2009
	INVESTMENTS	
Quoted At Cost (Long term Investments)		
50 Shares of M/s Bhawani Sahakari Coop. Bank, Ltd.	1,250	1,250
1000 Shares of Bank of Baroda Limited	34,241	34,241
300 Shares of Bank of India Limited	4,500	4,500
Total	59,991	59,991
SCHEDULE - 7		
DESCRIPTION	As at 31.03.2010	As at 31.03.2009
	CURRENT ASSETS, LOANS & ADVANCES:	
INVENTORIES		
At lower of cost or Net Realisable Value		
Raw Material		
Finished Goods	23,668,858	17,074,480
Work in Progress	3,441,335	2,060,750
Trading Goods	45,920,190	40,823,105
Stores	10,539,267	11,675,211
	2,275,675	685,590
	85,845,325	72,318,936
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Due for more than 6 months		
Others	44,309,095	2,529,728
	64,196,814	19,264,819
	108,505,909	21,794,547
LOANS & ADVANCES		
(Advances recoverable in cash or in kind or for value to be received considered Good)		
Balance with Central Excise	30,675,182	18,493,800
Sundry Deposits	875,202	2,509,679
	3,241,953	1,115,330
	34,792,337	22,118,809
CASH AND BANK BALANCE		
Cash on Hand		
Balances with Scheduled Bank	1,138,887	1,932,695
- On Current Accounts	1,868,035	74,103
	3,006,922	2,006,798
Total	232,150,494	118,239,090



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M/S MAGICUT TOOLS LIMITED

SCHEDULE - 8		
DESCRIPTION		
	As at 31.03.2010	As at 31.03.2009
CURRENT LIABILITIES :		
Sundry Creditors	100,384,013	25,853,194
PROVISIONS :		
Provisions for Taxation	2,217,178	1,103,803
Proposed Divident (2009-10)	1,243,980	
Total	103,845,171	26,956,997
SCHEDULE - 9		
DESCRIPTION		
	As at 31.03.2010	As at 31.03.2009
SALES & OTHER INCOME :		
SALES:		
Manufacturing sales		
Trading Sales	90,627,014	76,394,721
Other Income	140,785,027	15,407,156
Sundry Balances writtenback	125,924	339,904
Total	231,537,965	119,689,999



M/S MAGICUT TOOLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 10		
DESCRIPTION	As at 31.03.2010	As at 31.03.2009
	MANUFACTURING & OTHER EXPENSES :	
<u>Raw Material Consumed</u>		
Opening Balance		24,112,429
Add : Purchases & Purchases expenses	17,074,480	61,469,682
	61,469,682	51,872,105
Less : Closing Stock	78,544,162	75,984,534
	23,638,858	17,044,480
	54,905,304	58,940,054
Trading goods Purchases		
Power & Fuel	138,835,234	22,982,732
Wages	4,974,758	5,809,577
Stores Consumed	2,894,400	1,504,800
Other Expenses	3,777,035	6,067,335
Administration Charges		
Sundry Balances written off	15,630,593	12,778,409
Auditors Remuneration :	385,632	3,345,697
Audit Fee		
Tax Audit Fee	35,000	22,500
	15,000	7,500
Total	218,452,956	111,458,604

SCHEDULE - 11		
DESCRIPTION	As at 31.03.2010	As at 31.03.2009
	Interest to Bank & Other Bank Charges	10,455,464
Total	10,455,464	7,862,907



M/S MAGICUT TOOLS LIMITED

SCHEDULE - 12

NOTES FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

1. These financial statement have been prepared and presented under the historical cost convention on the accrual basis of accounting, and otherwise stated and comply with generally accepted accounting principles, statutory requirements, the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and current practice prevailing.

B. Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, revenues and expenses and disclosure of Contingent Liabilities at the date of the financial statements. Actual result could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future period.

C. Fixed Assets and Depreciation/Amortization

1. Fixed assets are stated at actual cost, which comprises of purchase consideration and other directly attributable costs for bringing the assets to its working condition for the intended use.
2. As informed to us by the management of the company the manufacturing unit had remained closed through out the financial period and hence it has not charged any depreciation on the fixed assets pertaining to the said manufacturing activity. However depreciation has been provided on written down value as per rates of depreciation prescribed as per schedule XIV of the Company Act, 1956 except plant machinery and electrical installation which is provided on straight line method on assets of M/s Trident Tools Private Limited which are merged as per merger scheme approved by High Court on dated 26.03.2010.

D. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual basis. Long term investments are carried at cost. However provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

E. Revenue Recognition

1. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
2. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
3. The Company follows the Accrual System of accounting and recognizes income and expenditure on accrual basis.

F. Inventory

Inventories are valued at cost or market value which ever is lower inclusive of taxes or duties.

G. Taxation

1. Current Income tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of assessment / appeals.
2. Deferred Tax is recognized subject to the consideration of prudence on the timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal of one or more subsequent periods.

H. Retirement Benefits

No Provision for liabilities for gratuity & bonus has been made as required by Accounting Standard 15- 'Accounting for Retirement benefits in the financial Statements of Employers' issued by the Institute of Chartered Accountants of India. The company has not carried out actuarial valuation during the year, so any actuarial gain or loss on account of the same has not been carried to the profit and loss account.



I. Foreign Currency Transaction

1. Transaction denominated in foreign currency if any, are recorded at the exchange rate prevailing on the date of transactions. Exchange difference arising on foreign exchange transactions settled during the year, if any, are recognized in the Profit and Loss account of the year except that exchange difference related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related Fixed Assets.
2. Monetary assets and liabilities in foreign currency, if any, are translated at the year end at the closing exchange rate and the resultant exchange differences are recognized in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.
3. The premium or discount on forward exchange contracts, if any, is amortized as expenses or income over the life of the contract.

J. Impairment of Assets

- a) The Carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised where the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is greater of the assets's net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital
- b) After impairment, depreciation/deletion is provided in subsequent period on the revised carrying amount of the asset over its remaining useful life.
- c) Impairment loss recognised in an earlier period will be reversed in a later period depending on changes in circumstances to the extent that the discounted future net cash flows are higher than net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior periods.

K. Earning per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding the period. The weighted number of equity shares outstanding during the period is adjusted for events of bonus issue.

2. NOTES TO ACCOUNTS

1. In the opinion of the board current assets, loans and advances have been shown at realizable value in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet and that provision for all known liabilities is not in excess of the amount reasonably necessary.
2. Sundry Debit and Credit Balances of the parties are subject to confirmation & reconciliation the from respective parties.
3. There are no liabilities which are contingent in nature as on 31st March, 2010.

4. Auditors Remuneration

	C.Y	P.Y
Audit Fees	35000	22500
Tax Audit Remuneration	15000	7500
Total	50000	30000

- 5). The company has made the following payments to Directors:

	C.Y	P.Y
Director's Remuneration	900,000	900,000
	900,000	900,000



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6. Quantitative information as required under Para 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956 are as follows.

Particulars in respect of Goods manufactures and Installed Capacities

(a) Installed Capacities		
Tool Bits	(In Nos)	500,000
Band saw Blades	(In Nos)	300,000
Hacksaw Blades	(In Nos)	1,200,000
Bearing and Bushes	(In Nos)	500,000

As Certified by Directors and accepted by the Auditors without verification.

7. ADDITIONAL INFORMATION PURSUANT TO PROVISION OF PARAGRAPH 3 & 4 PART-II OF SCHEDULE VI TO THE COMPANIES ACT 1956

DETAILS OF SALES, OPENING & CLOSING STOCK

A. MANUFACTURED GOODS

ITEMS	UNIT	OPENING STOCK		SALES		CLOSING STOCK	
		Qty. (Nos)	Value (Rs.)	Qty. (Nos)	Value (Rs.)		Value (Rs.)
HSS Tool Bits	No	-	-	89,939	17,905,86	905	645,675
HSS Blades	No	14,575	2,000,750	2,223,493	64,972,96	22,220	2,703,215
PATTA	No	-	-	3,370	406,331	270	32,445
B. TOOLS	No	-	-	20,159	1,395,238	-	-
Hacksaw Frame	No	-	-	1,000	30,888	-	-

B. PRODUCTION

	UNIT	2009-10		2008-09	
		Qty. (Nos)	Value (Rs.)	Qty. (Nos)	Value (Rs.)
HSS Tool Bits	No	90844	210398		
HSS Blades	No	2231138	1534624		
PATTA	No	3640	0		
B. TOOLS	No	20159	0		
Hacksaw Frame	No	1000	0		

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TRIDENT TOOLS PRIVATE LIMITED

DETAILS OF TRADING ITEMS FOR THE YEAR 2009-10

PARTICULARS	QTY. OPNG STOCK	VALUE (RS.)	QTY. INWARD	VALUE (RS.)	QTY. OUTWARD	VALUE (RS.)	QTY. BALANCE	VALUE (RS.)
REMELTED COPPER WIRE BARSHARP (OPG)	18710.000 Kgs	3151572.00			18710.000 Kgs	3855942.00	0.0	
BARE COPPER WIRE SHARP (OPG)	8470.000 Kgs	1490968.00			8470.000 Kgs	1534185.00	0.0	
TINED COPPER TAPE SCRAP (OPG)	800.000 Kgs	176848.00			800.000 Kgs	168481.00	0.0	
ALUMINIUM SCRAP (OPG)	9503.000 Kgs	774674.00			9503.000 Kgs	807755.00	0.0	
COPPER BERRY SCRAP (OPG)	18136.000 Kgs	2865016.00			18136.000 Kgs	3448080.00	0.0	
TRADING ITEMS WITH MAKICUT (OPG)		3188632.00			0.000 Kgs	0.00	0.0	3188632
ALLOY STEEL BARS			22330.000 Kgs	1288087.00	22330.000 Kgs	1417944.00		
ALLOY STEEL ROUNDA & FLAT BARS			296314.000 Kgs	43873485.00	296314.000 Kgs	43157817.78		
C.I. COUPLING			7542.000 Kgs	1047575.00	7542.000 Kgs	3570420.15		
COPPER MILBERRY SCRAP			35 Nos	28980.00	35 Nos	10700.00		
COPPER SCRAP BERRY			18570.000 Kgs	7350635.00	0	0	18500.000 Kgs	7350635.00
G.I. BOLT			18100.000 Kgs	7255307.00	18100.000 Kgs	7467000.00		
G.I. FLAT			600 Nos	2700.00	600 Nos	2780.00		
G.I. WIRE			150.000 Kgs	7200.00	150.000 Kgs	7343.00		
H.R. COIL			600 Nos	900.00	600 Nos	750.00		
H.R. PLATE			75.000 Kgs	4975.00	75.000 Kgs	4669.00		
ISMC			535005.000 Kgs	15825541.00	535005.000 Kgs	16158102.00		
M.S. ANGLE			182885.000 Kgs	4952079.00	182885.000 Kgs	5015854.50		
M.S. BOLT NUT			4000.000 Kgs	122000.00	4000.000 Kgs	125000.00		
M.S. CHANNEL			26840.000 Kgs	758946.00	26840.000 Kgs	767038.00		
M.S. CONL			1580 Nos	139120.00	1980 Nos	142915.00		
M.S. COUPLING			9870.000 Kgs	282151.00	9870.000 Kgs	294146.00		
M.S. CHTANT PLATE			6250.000 Kgs	198600.00	6250.000 Kgs	203427.50		
M.S. MACHINE SCREW			4 Nos	82950.00	4 Nos	83225.00		
M.S. PLATE			150 Nos	75000.00	150 Nos	8750.00		
M.S. ROUND BAR			5000 Nos	120000.00	5000 Nos	122500.00		
M.S. WASHER			198787.000 Kgs	4870380.00	198787.000 Kgs	4852797.50		
RAILS			630.000 Kgs	25000.00	630.000 Kgs	25572.00		
REMELTED COPPER BLDCKS			600 Nos	600.00	600 Nos	750.00		
REMELTED COPPER INGOTS			1500.000 Kgs	120000.00	1500.000 Kgs	120800.00		
REMELTED LEAD INGOTS			15280.000 Kgs	4740131.00	15280.000 Kgs	4642802.00		
SCRAPPER			49910.000 Kgs	1448383.00	46010.000 Kgs	1473007.00		
S.S. 304 ERW TUBE			53443.770 Kgs	1253271.00	53443.770 Kgs	12758033.00		
STAINLESS STEEL PLATS			280.000 Kgs	8400.00	280.000 Kgs	8588.00		
STAINLESS STEEL SHEETS			2507.100 Kgs	515432.00	2502.100 Kgs	5141.00		
			31756.000 Kgs	7722380.00	31756.000 Kgs	7741956.00		
			27100.000 Kgs	7262936.00	27380.000 Kgs	7288458.00		
	51.619	11,675,211	1,670,932	135,835,234	1,704,051	140,785,027	18,500	10,539,267



c. RAW MATERIAL CONSUMED (Principle Items)

Description	2009-10		2008-09	
	Consumption	Value (Rs.)	Consumption	Value (Rs.)
	Qty.(Kgs)		Qty.(Kgs)	
HSS Sheet	0.000	0	4784.700	7428217
HSS Strips	91871.100	36797399	81117.400	36112144
HSS Bar	22650.000	13638041	21485.900	13614357
Cold Rolled L.A.Strips	3320.800	274630	7700.600	996174

D. CONSUMPTION OF RAW MATERIAL

Description	2009-10		2008-09	
	VALUE (RS)	PERCENTAGE	VALUE (RS)	PERCENTAGE
IMPORTED	36797399	72.56	42613073	72.30
INDIGINEOUS	13912671	27.44	16326981	27.70
	50710070	100.00	58940054	100.00

The Value of Rw Material consumption is excluding expenses.

E. CIF VALUE OF IMPORTS

Description	Current Year (Rs.)	Previous Year (Rs.)
a) Capital Goods	NIL	NIL
b) Raw Materials	41040555	37201498
c) Trading Goods	80942010	NIL

F. VALUE OF EXPORTS CALCULATED ON FOB BASIS

Current Year (Rs.)	Previous Year (Rs.)
31877811	45582771



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8. The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises if any as at 31st March, 2010 is made in the financial statement based on information received and available with the company. Further in view of management, the impact of interest, if any, if may be payable in accordance with provisions of the said Act is not expected to be material.

9. Rs.13,38,942.00 is outstanding Debtors in which directors are interested or other companies under the same management.

10. Segment Reporting

Segment Reporting under AS-17 is not applicable as company's business activities fall within a single primary business segment.

11. Deferred Tax

Description	31-Mar-10	31-Mar-09
Deffered Tax Liability		
Net liabilities for deferred tax (deferred tax Assets)	3025061	3025061
	3025061	3025061

12. Earning Per Share

Description	2009-10	2008-09
Profit/(Loss) after Tax as per Profit and Loss Account		
Weighted-average No of Equity Share of Rs 10/- each for basic/diluted EPS	5,275,821	5,854,103
Earning per Share Basic/Diluted - Rs	6,049,308	6,049,308
	0.87	0.97

13. Previous figure have been regrouped and re-arranged wherever necessary.

14. Other additional information of part ii of Schedule VI of the Companies Act, 1956 are either Nil or not

M/S GIRISH PATEL & CO.
 CHARTERED ACCOUNTANTS
 REGISTRATION NO.-103221W

PROPRIETOR
 Membership No: 16743
 PLACE : MUMBAI
 DATE : 25.05.2010



(For and on behalf of Board of Directors of Magicut Tools Limited)

[Signature]

Chairman

[Signature]

Director