Penta Auto Feeding India Limited
Balance Sheet

Sr. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	**3A**	2,36,280	3,12,078
	(b) Intangible assets	**3B**	3,57,914	7,416
	(c) Financial Assets			
	(i) Loans	**4**	-	5,19,969
	(d) Other non-current assets	**5**	35,000	30,741
	Total Non-Current Assets		**6,29,194**	**8,70,204**
(2)	**Current assets**			
	(a) Inventories	**6**	18,53,281	55,275
	(b) Financial Assets			
	(i) Investments	**7**	84,33,676	1,76,24,857
	(ii) Trade receivables	**8**	74,04,293	5,43,110
	(iii) Cash and cash equivalents	**9**	6,56,996	2,81,295
	(c) Other current assets	**10**	19,71,718	9,38,676
	Total Current Assets		**2,03,19,964**	**1,94,43,213**
	TOTAL ASSETS		**2,09,49,158**	**2,03,13,417**
	EQUITY AND LIABILITIES			
	A. EQUITY			
	(a) Equity Share capital	**11**	1,00,00,000	1,00,00,000
	(b) Other Equity	**12**	-1,33,40,906	-1,37,56,130
	Total Equity		**-33,40,906**	**-37,56,130**
	B. LIABILITIES			
1	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	**13**	2,26,33,904	56,66,351
	(b) Other current liabilities	**14**	3,01,747	1,83,58,696
	(c) Provisions	**15**	13,54,413	44,500
	Total Current Liabilities		**2,42,90,064**	**2,40,69,547**
	Total Liabilities		**2,42,90,064**	**2,40,69,547**
	TOTAL EQUITY AND LIABILITIES		**2,09,49,158**	**2,03,13,417**

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For Anil Ashok & Associates
Chartered Accountants
Registration No. 005177N

Krishnan Ranganathan
Partner
Membership No. - 040300
Mumbai | May 24, 2019

For and on behalf of Board of Directors

Shreevallabh Kabra
Director
Din No: 00015415
Mumbai | May 24, 2019

Anand Kabra
Director
Din No: 00016010
Mumbai | May 24, 2019

Amit R Bajaj
Director
Din No: 03484653
Mumbai | May 24, 2019

Penta Auto Feeding India Limited
Statement of Profit and Loss
All figures in Rs

	Notes No.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Income			
Revenue from contarct with Customer	16	5,81,77,999	87,24,000
Other income	17	31,35,736	1,89,910
Total Income		**6,13,13,735**	**89,13,910**
Expenses			
Cost of sales	18	4,42,19,378	50,75,474
Finance cost	19	45,476	2,766
Depreciation and amortization	3A & 3B	2,64,382	1,73,572
Other Expenses	20	1,63,69,276	97,97,123
Total Expenses		**6,08,98,511**	**1,50,48,935**
Profit/(Loss) before tax		**4,15,223**	**-61,35,025**
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit/(Loss) after tax		**4,15,223**	**-61,35,025**
Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss		-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**4,15,223**	**-61,35,025**
Earnings Per Share			
Basic and diluted	21	0.42	-6.14

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Anil Ashok & Associates
Chartered Accountants
Registration No. 005177N

For and on behalf of Board of Directors

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Mumbai | May 24, 2019

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Mumbai | May 24, 2019

Penta Auto Feeding India Limited

Cash Flow Statement

All figures in Rs

	Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
A	**Cash Flow from Operating Activities**		
	Net Profit Before Tax and Extraordinary items	4,15,223	-61,35,025
	Adjustments for :		
	Other Income	-	-
	Operating profit before working capital changes	4,15,223	-61,35,025
	Change in : (Increase/Decrease in Non curent assets PPE	75,798	99,762
	(Increase)/Decrease in Other Current Assets Intangible	-3,50,498	3,713
	(Increase)/ecrease in Other non-Current assets	-4,259	34,444
	(Increase/Decrease in Other current Assets	-10,33,043	-2,13,868
	(Increase)/Decrease in Financial assets Loans	5,19,969	-34,017
	(Increase)/Decrease in Trade Receivable	-68,61,182	-2,29,145
	(Increase)/Decrease in Inventory	-17,98,006	-55,275
	Proceeds from issue of Shares	-	-
	Increase/(Decrease) in Other Current Liabilities	-1,67,47,035	1,83,63,522
	Increase/(Decrease) in Trade and other payables	1,69,67,554	43,45,078
	Cash generated from operations	-88,15,479	1,61,79,189
	Direct taxes paid		-
	Net Cash from Operating Activities	**-88,15,479**	**1,61,79,189**
			.
B	**Cash Flow From Investing Activities**	-	-
	(Increase)/ Decrease in Investments	91,91,181	(1,64,65,893)
	Net Cash used in Investing Activities	**91,91,181**	**(1,64,65,893)**
C	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) of borrowings		
	Interest (Net)	-	-
	Net Cash from financing activities	**-**	**-**
	Net Cash used in Cash and Cash Equivalents (A+B+C)	3,75,701	(2,86,704)
	Cash & Cash Equivalents (Opening balance)	2,81,295	5,67,999
	Cash & Cash Equivalents (Closing balance)	**6,56,996**	**2,81,295**
	Balances with bank- Current account	**6,56,996**	**2,81,295**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Anil Ashok & Associates
Chartered Accountants
Registration No. 005177N

For and on behalf of Board of Directors

Shreevallabh Kabra
Director
Din No: 00015415
Mumbai | May 24, 2019

Anand Kabra
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Mumbai | May 24, 2019

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Mumbai | May 24, 2019

Amit R Bajaj
Director
Din No: 03484653
Mumbai | May 24, 2019

Penta Auto Feeding India Limited

Statement of changes in equity

All Figures in Rs

A Equity share capital

Balance as at 1 April 2017	1,00,00,000
Changes in equity share capital during 2017-18	-
Balance as at 31 March 2018	**1,00,00,000**
Changes in equity share capital during 2018-19	-
Balance as at 31 March 2018	**1,00,00,000**

B Other equity

	Reserves & surplus		Equity instruments designated as FVTOCI	Total
	General reserve	Retained earnings		
Balance as on 01 April 2017		**(76,21,104)**		**(76,21,104)**
Profit for the year		(61,35,025)		(61,35,025)
Other comprehensive income (net of tax)		-		-
Total comprehensive income for the year		(1,37,56,130)		(1,37,56,130)
Changes during the year				-
Balance as on 31 March 2018		**(1,37,56,130)**		**(1,37,56,130)**
Profit for the year		4,15,223		4,15,223
Other comprehensive income (net of tax)				-
Total comprehensive income for the year		**(1,33,40,906)**		**(1,33,40,906)**
Transfer to general reserve				-
Changes during the year				-
Balance as on 31 March 2019		**(1,33,40,906)**	-	**(1,33,40,906)**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Anil Ashok & Associates
Chartered Accountants
Registration No. 005177N

Krishnan Ranganathan
Partner
Membership No. - 040300
Mumbai | May 24, 2019

For and on behalf of Directors of

Penta Auto Feeding India Limited

Shreevallabh Kabra
Director
Din No: 00015415
Mumbai | May 24, 2019

Anand Kabra
Director
Din No: 00016010
Mumbai | May 24, 2019

Amit R Bajaj
Director
Din No: 03484653
Mumbai | May 24, 2019

1. General information about the entity

Penta Auto Feeding India Limited (“the Company”) is a company incorporated in India under the provisions of Companies Act, 2013. The Company is a joint venture between Kabra Extrusiontechnik Limited and Penta S.r.l., Itally. It was incorporated on September 22, 2015 and has set up a plant for manufacturing of auto feeding systems for plastic and food processing industries.

2. Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (‘Ind AS’) notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

a) Basis of measurement

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

b) Current versus non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/ liability is expected to be realized/settled in the Company’s normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, plant and equipment

- **Recognition and measurement**

  The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

  All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under “Other non-current assets”.

- **Derecognition**

  An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net and disclosed within other income or expenses in the statement of profit and loss.

- **Depreciation methods, estimated useful lives and residual value**

  Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

b) Intangible assets

- **Recognition and measurement**

  Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

- **Derecognition**

  The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

- **Amortization**

  Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset	Useful Life
Purchase cost, user license fees and consultancy fees for Computer Software	3 Years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

c) Leases - Company as a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Payments under operating leases are recognized in the statement of profit and loss on a straight line basis.

d) Inventories

Raw Material, Components and Work in progress are valued on FIFO basis, at cost or net realizable value whichever is less, and is net of applicable at taxes. Finished goods are valued at cost or market value, whichever is less & is inclusive of Central excise duty thereon.

Cost includes cost of conversion and other costs incurred in bringing the inventories at their present location and condition. Cost of conversion for the purpose of valuation of WIP and finished goods includes fixed and variable production overheads incurred in converting the material into their present condition and location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) Cash and cash equivalents

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

f) Revenue from contract with customers

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method

Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

g) Other income

- **Interest income**

  Interest income from debt instruments is recognized using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognized in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

h) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

i) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to the items recognized directly in OCI.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

j) Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognized in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial instruments are initially recognized when the entity becomes party to the contract.

Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the statement of profit and loss.

Subsequent measurement of financial assets

For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the company's business model for managing the financial assets and the contractual terms of cash flows:

- those to be measured subsequently at fair value; either through OCI or through profit or loss
- those measured at amortised cost

For assets measured at fair value, changes in fair value will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognized in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the statement of profit and loss except for the fair value changes on account of own credit risk are recognized in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using effective interest rate (EIR) method and are recognized in statement of profit or loss.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Impairment of financial assets

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables under Ind AS 18

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

m) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.2. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actuals may differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The area involving critical estimates or judgement is **Depreciation and amortisation**

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

2.3. Recent accounting pronouncements

Impact of implementation of new Accounting Standard

Effective April 1, 2018 the Company adopted Ind AS – 115 'Revenue from Contracts with Customers'. The effect on adoption of the Standard was not material.

Accounting Standard issued but yet not effective

Ind AS 116 'Leases' is effective for annual periods beginning on or after 1st April, 2019. The Company is currently evaluating the requirements of Ind AS 116 and does not expect the new guidance to have significant impact on the financial statements

Penta Auto Feeding India Limited
Notes forming part of financial statements
All Figures in Rs

3A. Non-Current Assets, Property Plant and Equipments (PPE)

	Deemed Cost / Cost				Depreciation				Net Block	
Particulars	**As on April 01, 2018**	**Additions**	**Deductions**	**As on March 31, 2019**	**As on April 01, 2018**	**For the Year**	**Deductions**	**As on March 31, 2019**	**As on March 31, 2019**	**As on March 31, 2018**
Computers & Laptops	2,13,904	1,29,082	-	**3,42,986**	76,380	98,512	-	**1,74,892**	**1,68,094**	1,37,524
Leasehold Improvements	3,19,104			**3,19,104**	1,44,550	1,06,368	-	**2,50,918**	**68,186**	1,74,554
Total	**5,33,008**	**1,29,082**	**-**	**6,62,090**	**2,20,930**	**2,04,880**	**-**	**4,25,810**	**2,36,280**	**3,12,078**
Previous Year	**4,62,912**	**70,097**	**-**	**5,33,008**	**51,071**	**1,69,859**	**-**	**2,20,930**	**3,12,078**	**4,11,841**

3B. Non-Current Assets, Intangible Assets

	Deemed Cost / Cost				Depreciation				Net Block	
Particulars	**As on April 01, 2018**	**Additions**	**Deductions**	**As on March 31, 2019**	**As on April 01, 2018**	**For the Year**	**Deductions**	**As on March 31, 2019**	**As on March 31, 2019**	**As on March 31, 2018**
Computer Software	11,139	4,10,000	-	4,21,139	3,723	59,502	-	63,225	3,57,914	7,416
Total	**11,139**	**4,10,000**	**-**	**4,21,139**	**3,723**	**59,502**	**-**	**63,225**	**3,57,914**	**7,416**
Previous Year	**11,139**			**11,139**	**10**	**3,713**		**3,723**	**7,416**	**11,129**

Penta Auto Feeding India Limited

Notes to financial statements

All Figures in Rs

As at	March 31, 2019	March 31, 2018
Note 4 - "Non Current Assets"		
"Financial Assets- Loans"		
Security Deposits for premises	-	5,19,969
	-	**5,19,969**
Note 5 - "Non Current Assets"		
"Other Assets"		
Prepaid Rentals		5,741
Deposits with Government authorities	35000	25,000
	35,000	**30,741**
Note 6 - "Current Assets"		
"Inventories"		
Bought Out Products	18,53,281	55,275
	18,53,281	**55,275**
Note 7 - "Current Assets"		
"Financial Assets - Investments"		
SBI Premier Liquid Fund- Regular Plan-Daily dividend	60,05,838	1,76,24,857
(Units CY 5986.383 PY 17567.75)		
SBI Premier Liquid Fund- Regular Plan-Growth	24,27,838	
(Units CY: 834.822 PY: NIL)		
	84,33,676	**1,76,24,857**
Note 8 - "Current Assets"		
"Financial Assets - Trade Receivables"		
(Unsecured, considered good)		
Outstanding for a period more than six months from the date they are due for payment	-	-
Other trade receivables	74,04,293	5,43,110
	74,04,293	**5,43,110**
Note 9 - "Current Assets"		
"Financial Assets - Cash and Cash Equivalents"		
Balances with bank- Current account	6,56,996	2,81,295
	6,56,996	**2,81,295**
Note 10 - "Current Assets"		
"Other Current Assets"		
Balances with government authorities	12,39,151	7,73,245
Advance against Travel		80,987
Advance to Suppliers	1,70,460	50,000
Prepaid Rentals	5,741	34,444
Security Deposits for premises	5,56,367	
	19,71,718	**9,38,676**

Penta Auto Feeding India Limited
Notes to financial statements
All figures in Rs

Note 11 - "EQUITY"
"Equity Share capital"

As at March 31,	2019		2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, Subscribed & Paid up				
Equity Shares of Rs.10 each fully paid	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Total Issued, Subscribed & fully paid up share capital	**10,00,000**	**1,00,00,000**	**10,00,000**	**1,00,00,000**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-.The Company has not declared any dividends to date. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. Shares Outstanding

	No. of Shares	Amount	No. of Shares	Amount
Opening balance	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares Issued during period	-	-	-	-
Closing Balance	10,00,000	1,00,00,000	10,00,000	1,00,00,000

iii. Share holders with more than 5 % holding

	No. of Shares	% of Holding	No. of Shares	% of Holding
Penta SRL, Italy	5,00,000	50.00%	5,00,000	50.00%
Kabra Extrusiontechnik Limited including Nominees	5,00,000	50.00%	5,00,000	50.00%

iv. The Company has not issued any shares for consideration other than cash

Note 12 - "EQUITY"
"Other Equity"

Surplus/(Deficit)		
Opening Balance	-1,37,56,130	-76,21,104
Net Profit/(Net Loss) for the year	4,15,223	-61,35,025
Closing Balance	**-1,33,40,906**	**-1,37,56,130**

Note 13 - "Current Liabilities"
"Financial Liabilities - Trade Payables"

Dues of Micro and Small Enterprises	40,24,547	-
Dues of creditors other than Micro and Small Enterprises	1,86,09,357	56,66,351
	2,26,33,904	**56,66,351**

Note 14 - "Current Liabilities"
"Other Current Liabilities"

Statutory dues	3,01,747	10,97,896
Advances from customers	-	1,72,60,800
	3,01,747	**1,83,58,696**

Note 15 - "Current Liabilities"
"Provisions"

Provisions for Expenses	13,54,413	44,500
	13,54,413	**44,500**

Penta Auto Feeding India Limited

Notes to financial statements

All Figures in Rs

	For the year ended 'March 31, 2019	For the year ended 'March 31, 2018
Note 16 - Revenue from Contract with Customer		
Sale of Product	5,81,77,999	87,24,000
	5,81,77,999	**87,24,000**
Note 17 - Other income		
Dividend Income	6,28,833	65,893
Freight on sale	11,50,721	90,000
Interest Income	36,398	34,017
Foreign Exchange Gain	13,19,784	
	31,35,736	**1,89,910**
Note 18 - Cost of Sales		
Opening Inventory	55,275	-
Add:Purchase during the year	4,60,17,384	51,30,749
Less:Closing Stock	18,53,281	55,275.00
Cost of Material Consumed	**4,42,19,378**	**50,75,474**
Note 19 - Finance Cost		
Interest on other payments	14	654
Bank charges	45,462	2,112
	45,476	**2,766**
Note 20 - Other expenses		
Technical Knowhow fees	77,30,067	53,95,500
Management Fees	22,49,244	10,30,381
Rent	22,32,420	16,15,074
Rates and Taxes	29,050	6,896
Repair & Maintenance-Others	2,66,146	1,788
Water	6,905	6,374
Electricity expenses	35,900	28,235
Travelling and Conveyance	19,45,701	10,22,144
Printing and Stationery	37,192	10,159
Sales Promotion	57,500	4,26,000
Commission on Sales	11,50,720	-
Legal and Professional Fees	3,90,000	36,250
Comptuter Software expenses	1,14,853	25,800
Insurance Charges	19,915	
<u>Payments to Auditors</u>		
Audit Fees	45,000	45,000
Miscellaneous expenses	58,662	1,47,522
	1,63,69,276	**97,97,123**
Note 21 - Earnings per share		
Profit attributable to Equity share holder	4,15,223	-61,35,025
Weighted average number of equity shares (Basic and Diluted)	10,00,000	10,00,000
Basic and diluted earnings per share (Face value of Rs. 10/- each	0.42	(6.14)

All figures in Indian Rupees

22. Financial Instruments:

22.1 Capital management

For the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018

22.2 Categories of financial instruments

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Financial assets			
Measured at amortized cost			
(a) Loans – Non current	4	-	5,19,969
(b Trade receivables	8	74,04,293	5,43,110
(c) Cash and cash equivalents	9	6,56,996	2,81,295
Measured at fair value through profit or loss (FVTPL)			
(a) Investments in current investments	7	84,33,676	1,76,24,857
Financial liabilities (Measured at amortized cost)			
(a) Trade payables	13	2,26,33,904	56,66,351

22.3 Financial risk management

The Company's activities expose it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purpose. The Company has exposure to the following risks arising from financial instruments**:**

22.3.1. Credit Risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109: Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

All figures in Indian Rupees

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

22.3.2. Trade Receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis. Trade receivables that were not impaired

Particulars	**Carrying amount**	
	March 31, 2019	**March 31, 2018**
Less than 180 days	74,04,293	5,43,110
More than 180 days	-	-

22.3.3. Financial instruments and Cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust its exposure to various counterparties.

22.3.4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Cash and cash equivalents	6,56,996	2,81,295
Investments in Mutual funds and others	84,33,676	1,76,24,857
Total	90,90,672	1,79,06,152

All figures in Indian Rupees

The following are the remaining contractual maturities of financial liabilities:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Trade payables	2,26,33,904	56,66,351
Total	2,26,33,904	56,66,351

22.3.5. Market Risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

22.3.6. Foreign Currency risk

The Company does not undertake transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations does not arise.

22.3.7. Interest rate risk

The company has no significant interest-bearing operating assets/liabilities, operating income and operating cashflow are substantially independent of changes in market interest rates.

22.3.8. Price risk

The company is exposed to fluctuations in market prices in the investment in debt oriented liquid mutual funds recognized at FVTPL. Therefore, the exposure to risk of changes in market rates is minimal.

22.4 Fair value of financial instruments that are measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

23. The Company does not have employees qualifying for Retiral benefits as at March 31, 2019.

24. The Company’s entire activity relates to auto feeding systems and allied equipment’s. Therefore there is only one reportable segment.

All figures in Indian Rupees

25. Related Party Transactions:

A. Names of related party and nature of relationship :

Relationship	Name of related party
Associate Companies	Kabra Extrusiontechnik Ltd and Penta s.r.l. Italy
Directors	Shreevallabh Kabra Anand Kabra Amit Bajaj Pierluigi Mondati

B. Transactions during the financial year with related parties in Rupees

No.	Particulars			
	During the year ended March 31,		**2019**	**2018**
	Kabra Extrusiontechnik Ltd (KET)			
	I.	Sales	6,42,000	87,24,000
	II.	Rent paid to KET	7,50,000	3,90,000
	III.	Expenses incurred on behalf of Company	28,49,307	21,95,165
	IV.	Management fees payable	14,57,625	-
	V.	Tax liabilities paid on behalf company and re-paid to KET	48,19,766	-
	VI.	Payment to vendors on behalf of company re-paid to KET	93,901	-
	VII.	Amount paid to KET against expenses incurred on behalf company	13,20,259	21,95,165
	Penta s.r.l. Italy			
	I.	Purchases	1,00,08,627	58,515
	II.	Technical Know-how	63,80,414	51,08,400

C. Outstanding as at March 31, 2019

No.	Particulars		
	As at March 31,	**2019 (Rupees)**	**2018 (Rupees)**
1	**Amount Payable**		
	Penta s.r.l. Italy	67,35,252	43,16,400
	Kabra Extrusiontechnik Ltd	29,86,674	-
2	**Receivables**		
	Kabra Extrusiontechnik Ltd	-	5,43,110
3	**Investment in Share Capital**		
	Penta s.r.l. Italy	50,00,000	50,00,000
	Kabra Extrusiontechnik Ltd	49,94,000	49,94,000

All figures in Indian Rupees

26. Lease transactions:

Operating Lease - Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

For the year ended March 31,	**2019 Rupees**	**2018 Rupees**
Lease payment debited to Statement of Profit & Loss (Net of taxes)	20,29,376	15,80,630
Lease obligation		
- Not later than one year	4,29,340	12,73,976
- later than one year and Not later than five years	-	30,67,490
- Later than five years	-	-

27. There is no Contingent liability as at March 31, 2019 (Previous year Nil).

28. Income taxes

In light of the accumulated tax losses, there is no income tax expense during the year.

The company has not recognized the deferred tax assets in view of the uncertainty that such assets can be realized against future taxable profits.

29. Expenditure in foreign currency (accrual basis)

For the year ended March 31,	**2019**	**2018**
Purchase of Raw Material	1,42,55,694	58,515
Technical Know-how	63,80,414	51,08,400

30. There are no earnings in foreign currency during the year (Previous Year Nil).

31. These Financial Statements were approved by the Board of Director on May 24, 2019

32. The previous period's figures have been re-grouped/ re-classified wherever required to conform to current year's classification.

33. There were no significant events that occurred after the balance sheet date that materially affects the financial position of the company.

For Anil Ashok & Associates
Chartered Accountants
Registration No. 005177N

Krishnan Ranganathan
Partner
Membership No: 040300

Mumbai | May 24, 2019

For and on behalf of Board of Directors

Shreevallabh Kabra
Director
Din No: 00015415
Mumbai | May 24, 2019

Anand Kabra
Director
Din No: 00016010
Mumbai | May 24, 2019

Amit R Bajaj
Director
Din No: 03484653
Mumbai | May 24, 2019