

### INDEPENDENT AUDITORS' REPORT

To,  
The Partners of,  
SKIPPER- METZER INDIA LLP

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying Ind AS financial statements of SKIPPER- METZER INDIA LLP ("the LLP"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Statement of Changes in Partner's Fund and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the LLP as at March 31, 2019, the loss, changes in partner's capital and its cash flows for the period ended on that date.

##### Basis for Opinion

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

##### Partners Responsibility for the Financial Statements

The Partner are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS).

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility for the Financial Statements**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal-financial control relevant to the LLP's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by LLP's Partners, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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

1. 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 LLP so far as appears from our examination of those books;
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the applicable Accounting Standards.

**For SINGHI & CO.  
Chartered Accountants  
Firm Registration No.302049E**

**(Navindra Kumar Surana)  
Partner  
Membership No.053816**

**Place : Kolkata**

**Date : May 14, 2019**

**SKIPPER-METZER INDIA LLP**

**ANNUAL REPORT**

**2018-19**



## Balance Sheet

as at 31st March, 2019

	Particulars	Note No	Amount in Rs. As at 31-03-2019
<b>I ASSETS</b>			
<b>A. NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1		
Capital Work-in-Progress	1A		19,15,53,007
Financial Assets	2		
Loans			52,93,190
Deferred Tax Assets (Net)			
Other Non-Current Assets	3		35,50,462
<b>Total Non-Current Assets</b>			<b>20,03,96,659</b>
<b>B. CURRENT ASSETS</b>			
Inventories	4		81,91,598
Financial Assets			
Cash & Cash Equivalents	5		70,72,783
Loans	6		15,86,901
Other Current Assets	7		3,37,20,136
<b>Total Current Assets</b>			<b>5,05,71,418</b>
<b>TOTAL ASSETS</b>			<b>25,09,68,077</b>
<b>II CONTRIBUTION &amp; LIABILITIES</b>			
<b>A. PARTNER'S FUND</b>			
Contribution	8		17,88,64,820
Other Equity	9		-3,23,600
<b>Total Partner's Fund</b>			<b>17,85,41,220</b>
<b>B. LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Deferred Tax Liabilities			
<b>Total Non-Current Liabilities</b>			<b>-</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Trade Payables	10		1,83,12,263
Others	11		5,04,13,708
Other Current Liabilities	12		37,00,886
<b>Total Current Liabilities</b>			<b>7,24,26,857</b>
<b>TOTAL CONTRIBUTION &amp; LIABILITIES</b>			<b>25,09,68,077</b>

---

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

As per our Report of even date attached

**For Singh & Co**  
Chartered Accountants  
Firm's Regn No.302049E

**For SKIPPER-METZER INDIA LLP**

**Sharan Bansal**  
Designated Partner

**Devesh Bansal**  
Designated Partner

Place: Kolkata  
Date: May 14, 2019

Place:  
Date:

## **Statement of Profit & Loss**

for the period from 09-03-2018 to 31st March, 2019

	Particulars	Note No	Year ended 31-03-2019
<b>A. INCOME</b>			
Other Income		13	20,07,293
<b>Total Income</b>			<b>20,07,293</b>
<b>B. EXPENDITURE</b>			
Employee Benefit Expense		14	19,20,577
Other Expenses		15	4,10,316
<b>Total Expenditure</b>			<b>23,30,893</b>
<b>C. Profit Before Exceptional Items and Tax</b>		A-B	-3,23,600
<b>D. Exceptional Items</b>			-
<b>E. Profit Before Tax</b>		C-D	<b>-3,23,600</b>
<b>F. Tax Expense</b>			
Current Tax			-
Deferred Tax			-
<b>Total Tax Expense</b>			<b>-</b>
<b>G. Profit After Tax</b>		E-F	<b>-3,23,600</b>
<b>H. Other Comprehensive Income (Net of Taxes)</b>			-
<b>I. Total Profit for the year</b>		G+H	<b>-3,23,600</b>

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

As per our Report of even date attached

**For Singhi & Co**  
Chartered Accountants  
Firm's Regn No.302049E

**For SKIPPER-METZER INDIA LLP**

**Sharan Bansal**  
Designated Partner

**Devesh Bansal**

Designated Partner

Place: Kolkata  
Date: May 14, 2019

Place:  
Date:



**SKIPPER-METZER INDIA LLP**

LLPIN: AAM-2052

**Statement of Changes in Partner's Fund**

for the year ended 31st March, 2019

Particulars	Amount in Rs.
	Partner's Contribution
Received from Partners	17,88,64,820
Balance as at 31-03-2019	<u>17,88,64,820</u>

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

As per our Report of even date attached

**For Singhi & Co**  
Chartered Accountants  
Firm's Regn No.302049E

**For SKIPPER-METZER INDIA LLP**

Place: Kolkata  
Date: May 14, 2019

**Sharan Bansal**  
Designated Partner

**Devesh Bansal**  
Designated Partner

Place:  
Date:

## Cash Flow Statement

for the year ended 31st March, 2019

	Amount in Rs.
	Year ended 31-03-2019
Particulars	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before Tax	-3,23,600
Adjustment for	
Unrealised Foreign Exchange Fluctuations	-19,07,354
Operating profit before Working Capital Changes	<u>-22,30,954</u>
Changes in Working Capital	
(Increase) / Decrease in Inventories	-81,91,598
(Increase) / Decrease in Other Financial Assets & Other Assets	-4,06,00,227
Increase / (Decrease) in Trade Payables	2,02,19,617
Increase / (Decrease) in Other Financial Liabilities & Other Liabilities	37,00,886
<b>NET CASH GENERATED / (USED IN) OPERATING ACTIVITIES</b>	<b>A</b> <u>-2,71,02,276</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	-19,15,53,007
Increase / (Decrease) in Capital Advances	-35,50,462
Increase / (Decrease) in Creditors for Capital Goods	5,04,13,708
<b>NET CASH GENERATED / (USED IN) INVESTING ACTIVITIES</b>	<b>B</b> <u>-14,46,89,761</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Partner's Contribution	17,88,64,820
<b>NET CASH GENERATED / (USED IN) FINANCING ACTIVITIES</b>	<b>C</b> <u>17,88,64,820</u>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>A + B + C</b> <u>70,72,783</u>
<b>ADD: OPENING CASH &amp; CASH EQUIVALENTS</b>	<u>70,72,783</u>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<b>70,72,783</b>

As per our Report of even date attached

**For Singhi & Co**  
Chartered Accountants  
Firm's Regn No.302049E

**For SKIPPER-METZER INDIA LLP**

Place: Kolkata  
Date: May 14, 2019

**Sharan Bansal**  
Designated Partner

**Devesh Bansal**  
Designated Partner

Place:  
Date:

**SKIPPER-METZER INDIA LLP**  
**Schedules to Assets as of 31st March, 2019**

PARTICULARS	31st March, 2019 INR Rs.
<b>1 (A) PROPERTY, PLANT &amp; EQUIPMENT - CAPITAL WORK-IN-PROGRESS</b>	
<b>Capital Work-in-Progress</b>	
Land & Buildings	42,77,814
Plant & Machinery	15,74,69,696
Furniture & Fittings	7,62,910
Office Equipment	46,676
IT Equipment	9,25,808
	<b>16,34,82,904</b>
Add: Pre-Operative Expenses	2,80,70,103
	<b>19,15,53,007</b>
<b>2 NON-CURRENT FINANCIAL ASSETS - LOANS</b>	
Security Deposits	52,93,190
	<b>52,93,190</b>
<b>3 OTHER NON-CURRENT ASSETS</b>	
<b>Capital Advances</b>	
Unsecured, Considered good	35,50,462
	<b>35,50,462</b>
<b>4 CURRENT ASSETS - INVENTORIES</b>	
(As valued and certified by the Management)	
Raw Materials	81,91,598
	<b>81,91,598</b>
<b>5 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>	
Balances with Banks:	
In Current Accounts	70,35,052.00
Cash in Hand	37,731.00
	<b>70,72,783.00</b>
<b>6 CURRENT FINANCIAL ASSETS - LOANS</b>	
a) <b>Security Deposits</b>	
Margin Money maturity of more than 12 months	11,00,000
Other Deposits	4,86,901
	<b>15,86,901</b>
<b>7 OTHER CURRENT ASSETS</b>	
<b>Advances other than Capital Advances</b>	
Unsecured, Considered good	
Advances to Vendors	40,900
Other Advances	
Balances with Government Authorities	3,32,44,470
Other Advances	4,34,766
	<b>3,37,20,136</b>

**SKIPPER-METZER INDIA LLP**  
**Schedules to Liabilities as of 31st March, 2019**

PARTICULARS	<b>31st March, 2019 INR Rs.</b>
<b>8 PARTNERS' FUND - CONTRIBUTION</b>	
Skipper Limited	8,94,32,410
Metzerplas Cooperative Agrlcultural Organiztion Ltd	<u>8,94,32,410</u>
	<b><u>17,88,64,820</u></b>
<b>9 PARTNERS' FUND - OTHER EQUITY</b>	
Surplus In the Statement of Profit and Loss	-3,23,600
	<u>-3,23,600</u>
<b>10 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>	
Trade Payables	<u>1,83,12,263</u>
	<b><u>1,83,12,263</u></b>
<b>11 CURRENT FINANCIAL LIABILITIES - OTHERS</b>	
Liability for Capital Expenditure	<u>5,04,13,708</u>
	<b><u>5,04,13,708</u></b>
<b>12 OTHER CURRENT LIABILITIES</b>	
Advances from Customers	5,05,534
Other Payables	
Payable to Employees	24,77,058
Statutory dues	<u>7,18,294</u>
	<b><u>37,00,886</u></b>

**SKIPPER-METZER INDIA LLP****Schedules to Statement of Profit & Loss for the period from 09-03-2018 to 31st March, 2019**

	PARTICULARS	31st March, 2019 INR Rs.
<b>13 OTHER INCOME</b>		
Exchange Gain on Reinstatement of Trade Payables	19,07,354	
Interest on Discounting of Financial Assets	99,939	
	<hr/>	<hr/>
	20,07,293	<hr/>
<b>14 EMPLOYEE BENEFIT EXPENSES</b>		
Staff Salaries & Wages	19,20,577	
	<hr/>	<hr/>
	19,20,577	<hr/>
<b>15 OTHER EXPENSES</b>		
Office Rent	82,983	
Notional Rent	1,66,348	
Statutory Audit Fee	1,00,000	
Business Promotion Expenses	46,813	
Recruitment Charges	14,172	
	<hr/>	<hr/>
	4,10,316	<hr/>

## **Notes forming part of Financial Statements**

### **Overview of LLP and Significant Accounting Policies**

#### **a. Overview of LLP**

Skipper-Metzer India LLP was incorporated on 9<sup>th</sup> March, 2018 pursuant to Limited Liability Partnership Act, 2008, as a 50:50 Joint Venture between M/s Skipper Limited, India and M/s Metzerplas Co-operative Agricultural Organization Limited, Israel to foray into Micro Irrigation market in India and bring in new technologies in the growing irrigation market. The LLP has set up Manufacturing Plant in Hyderabad, Telangana with primary objective of Manufacturing and Supply of Micro Irrigation products to Farming Community in India and globally.

#### **b. Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standard) Rules, as amended. The LLP has adopted IND AS voluntary. The financial Statements have been prepared under the historical cost convention on the accrual basis.

#### **c. Use of Estimates**

The preparation of financial statements in conformity with IND AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on assumptions and estimates they could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### **d. Revenue Recognition**

Revenue is recognized when control is transferred based on the terms of contract which may either be point in time or over time. Revenue represents the net invoice value of goods and services provided to customer after deducting certain incentives including discount. The LLP has applied the guidelines mentioned in IND AS 115 for Revenue Recognition.

#### **e. Cash & Cash Equivalents**

Cash & Cash Equivalents stated in the Balance Sheet normally comprise of Cash at Bank and in Hand (including Cheques on Hand) and Short-Term Investments with an original maturity period of less than or equal to three months.

#### **f. Provisions**

Provisions are recognized when the LLP has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at the reporting date and adjusted to reflect the current best estimates.

**g. Contingent Liabilities**

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

**h. Events occurring after the Balance Sheet date**

Wherever material, events occurring after the Balance Sheet Date are considered up to the date of approval of accounts by the Governing Committee of Members.

**i. Current & Non-Current**

All the Loans & Advances that are receivable / repayable within the LLP's normal operating cycle of 12 months have been considered as Current.

Similarly, certain Loans & Advances which are not repayable within the operating cycle of 12 months have been considered to be Non-Current.

**j. Foreign Currency Transactions**

Transactions in foreign currency are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange prevailing on the date of closing the accounts and resulting losses or gains arising out of exchange fluctuations are recognized in the Profit & Loss Account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**k. Leases:**

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

**Finance Lease:**

Lease where the company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at lower of the fair value or the present value of Minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss.

**Operating Lease:**

The leases which are not classified as finance lease are operating leases. Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to

increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

The LLP has entered into "Operating lease for Land and premises" under non-cancellable operating lease, renewable with mutual consent on mutually agreeable terms. There are no restrictions imposed by lease agreement, except lock in period clause of 3 years. During the year, Rs.44,94,188 has been debited to Capital work-in-progress as Pre-operative Expenses.

As at 31st March, the future minimum lease payments (MLPs) under non-cancellable operating lease for each of the following periods are as under:

Particulars	Minimum Lease Payments (MLPs) IN Rs.	Present Value of MLPs IN Rs.
Not later than one year	99,63,000	90,15,019
Later than one year and not later than five years	4,50,88,864	3,17,79,883
Later than five years	6,23,45,251	2,86,68,965
<b>TOTAL</b>	<b>11,73,97,115</b>	<b>6,94,63,867</b>

#### **i. Property, Plant and Equipment**

Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation and provision for impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

#### **m. Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

#### **n. Inventories**

Cost of Raw Materials, Stores and Spares and Packing Materials is determined on moving weighted average basis.

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any.

#### **o. Comparative Figures**

The previous period's figures have not been given as this is the first financial statements of the LLP since its incorporation on 09.03.2018.

#### **p. Other Disclosures**

##### **i. Contingent Liabilities and Capital Commitments as on 31<sup>st</sup> March, 2019:**

The LLP had cleared the imported consignments received from related parties under provisional assessment basis by the Customs, by submitting provisional duty bonds for the

value of imported consignments. For the purpose of final assessment, an application for valuation of such import consignments has been submitted to Special Valuation Branch (SVB), Customs, Chennai and the liability obligation is subject to outcome from the special valuation by the Customs.

**Capital Commitments as on 31<sup>st</sup> March, 2019 after adjusting advances: Rs.1,38,57,158/-**

- ii. The outstanding balance of Trade receivables, Trade payables, Loans and Advances and other accounts are accepted as they appear in the books of accounts and are subject to Reconciliation / adjustments, if any, and confirmation by respective parties.

**iii. Related Party Transactions**

The disclosure as per IND AS 24 is attached as Annexure – I

As per our Report of even date attached

**For Singhi & Co**  
Chartered Accountants  
Firm's Regn No.302049E

For and On Behalf of the LLP  
**SKIPPER-METZER INDIA LLP**

Place: Kolkata  
Dated: May 14, 2019

**Sharan Bansal**  
Designated Partner

**Devesh Bansal**  
Designated Partner

Place:  
Dated:

**SKIPPER-METZER INDIA LLP**  
ANNEXURE - I

**RELATED PARTY DISCLOSURES**

**Related party transactions during the year ended March 31, 2019 are as under:**

**A. List of the related parties and relatives.**

**(1) Key Management Personnels**

Mr Sharan Bansal, Designated Partner  
 Mr Devesh Bansal, Designated Partner  
 Mr Siddharth Bansal, Partner  
 Mr Hugo Chauhan, Partner  
 Mr Shmuel Schupak, Partner  
 Mr Israel Cohen, Partner

**(2) Relatives of key managerial personnel**

NIL

**(3) Enterprises able to exercise significant influence.**

- (a) M/s Skipper Limited, JV Partner
- (b) M/s Metzerplas Cooperative Agricultural Organization Ltd, JV Partner

**(4) Enterprises where key managerial personnel along with their relatives have significant influence.**

- (a) M/s Metzerplas Industries Limited
- (b) M/s Suviksit Investments Limited

**B. The following transactions were carried out with the related parties in the ordinary course of business :**

SI No	Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprises able to exercise significant influence	Enterprises where key managerial personnel along with their relatives have significant influence
1	<b>SUPPLIES AND SERVICES RECEIVED</b>				
	<b>Purchase of Capital Goods</b>				
	M/s Metzerplas Industries Limited	-	-	-	12,00,19,169
	M/s Skipper Limited	-	-	1,26,48,631	-
	<b>Purchase of Materials</b>				
	M/s Metzerplas Industries Limited	-	-	-	23,83,286
	M/s Skipper Limited	-	-	1,21,70,983	-
	<b>Payments made against Purchase of Goods</b>				
	M/s Skipper Limited			67,68,193	
	<b>Services Received</b>				
	M/s Suviksit Investments Limited	-	-	-	82,983
	<b>Amounts received on behalf of Related Party and Reimbursement made</b>				
	M/s Skipper Limited	-	-	3,55,12,830	-
2	<b>BALANCES OUTSTANDING</b>				
	<b>Purchase of Capital Goods</b>				
	M/s Metzerplas Industries Limited	-	-	-	4,88,74,200
	M/s Skipper Limited	-	-	1,26,48,631	-
	<b>Purchase of Materials</b>				
	M/s Skipper Limited	-	-	54,02,790	-