



6th September, 2021

To,
National Stock Exchange of India
Listing Department
Exchange Plaza, 5th floor,
Plot No. C/1. G Block,
Bandra Kurla Complex
Bandra (East), Mumbai-400051

Symbol: PENTAGOLD

Sub: Annual General Meeting- Annual Report 2020-21 and Notice of AGM

Dear Sir/Madam,

Pursuant to Regulation 34(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed here with the Annual Report of the company for the financial year ended 2020-21, including notice convening the 9th Annual General Meeting of the company to be held on Thursday, 30th September, 2021 at 2.00 pm through Video Conferencing and other Audio Visual Means.

The notice of the Annual General Meeting forms part of the Annual Report.

The Annual Report including the notice of the Annual General Meeting is also available on the website of the company www.pentagold.in

Please take the note of the same and acknowledge the receipt.

Thanking You,
Yours faithfully

For Penta Gold Limited

Ketan Madhusudan Shroff
Director
DIN: 00332988



Penta Gold Limited

Elements of Purity



Annual Report 2020-21

Ninth Annual Report 2020-21

Board of Directors	Mr. Ketan M. Shroff		Chairman & Managing Director	
	Mr. Anand B. Chaturvedi		Independent Director	
	Mr. Dilip R. Patodia		Independent Director	
	Ms. Minakshi I. Singh		Independent Director	
Board Committees	Audit Committee		Mr. Anand B. Chaturvedi (Chairman)	
			Mr. Dilip R. Patodia	
			Ms. Minakshi I. Singh	
	Nomination & Remuneration Committee		Mr. Dilip R. Patodia (Chairman)	
			Mr. Anand B. Chaturvedi	
			Ms. Minakshi I. Singh	
	Stakeholders Relationship Committee		Mr. Ketan M. Shroff (Chairman)	
			Mr. Dilip R. Patodia	
Mr. Anand B. Chaturvedi				
Registered Office	Penta House 2224, Manek Chowk, Opp. Old Share Bazar, Ahmedabad, Gujarat – 380001. Tel. No: +91-079-22416555 Website: www.pentagold.in; Email: info@pentagold.in.			
Corporate Office	1 st Floor, 30, Champa Gully, Zaveri Bazar, Mumbai – 400002. Tel No: + 91-022-22402255 Email: info@pentagold.in			
Statutory Auditor	M/s. R A N K & Associates Level 7, Ashok Premises Co-operative Society, Mogra Village, Old Nagardas Road, Nicholas Wadi, Andheri (E), Mumbai – 400069			
Bankers	1.	State Bank of India	5.	Bank of India
	2.	Axis Bank	6.	Kotak Mahindra Bank
	3.	Karur Vysya Bank	7.	ICICI Bank
	4.	Union Bank of India	8.	Indusind Bank
Registrar & Transfer Agents	KFin Technologies Private Limited Selenium Building, Tower-B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telangana, India. Email: einward.ris@karvy.com Tel No:+91 40-6716 2222 Fax No: +91 402343 1551			
Internal Auditors	M/s. Nimesh Thakkar & Co. 19/C-2, Ground Floor, Triveni CHSL, 60 Ft. Road, Opp. IDBI Bank, Vasai (West), Maharashtra- 401 202.			
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NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of **Penta Gold Limited** will be held on Thursday, 30th September, 2021 at 2:00 pm through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions –

1. **ADOPTION OF ANNUAL AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON**

To consider and adopt the Standalone and Consolidated Annual audited financial statements of the company together with the Report of the Board of Directors and the Auditors for the financial year ended March 31, 2021 thereon:

“**RESOLVED THAT** the Standalone and Consolidated Annual Audited financial statement which comprises the Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement, Notes to accounts and summary of the significant accounting policies and other explanatory information for the financial year ended March 31, 2021 along with the Auditor’s Report and the Board’s Report as circulated to the shareholders and laid before the meeting, be received, considered and adopted.”

2. **APPOINTMENT OF MR. KETAN MADHUSUDAN SHROFF AS A DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION**

To re-appoint Mr. Ketan Shroff (DIN: 00332988), Managing Director who retires by rotation and being eligible, offers themselves for re-appointment.

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Ketan Madhusudan Shroff (DIN: 00332988) who retires by rotation and being eligible has offered themselves for reappointment as the Managing Director of the Company.”

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions

3. **REGULARISATION OF ADDITIONAL DIRECTOR, MINAKSHI INDER SINGH BY APPOINTING HER AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To appoint Ms. Minakshi Singh (DIN: 07483620), who was appointed as an additional director as the Independent Director of the company.

“**RESOLVED THAT**, pursuant to provision of Section 149,150,152 read with Schedule IV to the Companies Act,2013 , and all other applicable provisions of the Companies Act, 2013

and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Ms. Minakshi Inder Singh (DIN: 07483620) who was appointed as an Additional Director of the Company w.e.f 13th August, 2021 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing her candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149 of the Act and who is eligible for appointment, be and hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from the conclusion of this AGM.”

On behalf of the Board of Directors

FOR, PENTA GOLD LIMITED

Sd/-

(Ketan M. Shroff)

Chairman & Managing Director

DIN: 00332988

Mumbai, 6th September, 2021

Notes

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Body Corporate shareholders (i.e. other than Individuals, HUF, NRI etc.) are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting are required to send a scanned copy (PDF/JPGFormat) of its Board or governing body resolution / Authorization etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to cs.praveenjain@gmail.com with a copy marked to info@pentagold.in, cs@pentagold.in and raghu.veedha@kfintech.com (RTA).
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.pentagold.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, 27th September, 2021 at 9:00 A.M. and ends on Wednesday 29th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 20th August, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th August, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting”

	<p>under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience or joining virtual meeting & voting during the meeting. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

	<p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent

to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit

client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.praveenjain@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Nipul Shah at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@pentagold.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to info@pentagold.in If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@pentagold.in .The same will be replied by the company suitably.
6. Ms. Minakshi Singh, additional director of the company, will be regularized and appointed as the Independent Director of the company. A brief profile of the said director is given below:

Name of Director	Ms. Minakshi Inder Singh
DIN	07483620
Nationality	Indian
Date of Appointment on Board	13/08/2021
Qualification	Bachelor in Commerce
Brief Profile	Ms. Minakshi Inder Singh, 41 years of age, having (DIN: 07483620) holds a bachelor degree in commerce. She is having rich experience in Marketing and in various sectors. She has an expertise in Business Management and Marketing
Shareholding in Penta Gold Limited	Ms. Minakshi Singh does not hold any shares in the company as on date.
Disclosure of relationship between directors (in case of appointment of directors)	Not related to any director/ KMP or promoters of the company.

8. Mr. Ketan Shroff, Managing Director retire by rotation and, being eligible, offer themselves for re-appointment at the Ninth Annual General Meeting. A brief profile of the said director is given below:

Name of Director	Mr. Ketan Madhusudan Shroff
DIN	00332988
Nationality	Indian
Date of Appointment on Board	12/03/2012
Qualification	Under graduate
Shareholding in Penta Gold Limited	9110980 shares
Membership / Chairmanships of Audit and Stakeholders Relationship Commitees across Public companies	Nil

9. Mr. Praveen Jain, Practicing Company Secretary, Praveen Jain & Co. having Membership No.F7151, C.P. No. 21752 has been appointed as the Scrutinizer to conduct the voting by VC/OAVM.

**On behalf of the board of Directors of
PENTA GOLD LIMITED**

**Sd/-
(Ketan M. Shroff)
Chairman & Managing Director
DIN: 00332988
Mumbai, 6th September, 2021**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT 2013**SPECIAL BUSINESS****ITEM NO.3**

Regularisation of Additional Director, Ms. Minakshi Inder Singh (DIN: 07483620) by appointing her as Independent Director of the Company

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

Ms. Minakshi Singh was appointed as an Additional Independent Director with effect from 13th August, 2021 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company. The Board is of the view that the appointment of Ms. Minakshi Singh on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 3 for approval by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Ms. Minakshi Singh herself, in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an ordinary resolution.

Board's Report

To the Members,

The Board of Directors hereby submits the report of the business & operations of your company ("the Company"), along with the audited accounts of the Company for the financial year ended on 31st March, 2021.

1. Financial Results

(₹'000)

SN	Particulars	Standalone		Consolidated	
		Year ended 31 st March, 2021	Year ended 31 st March, 2020	Year ended 31 st March, 2021	Year ended 31 st March, 2020*
1.	Total Sales/Income	1554473.66	5686526.14	1555194.12	5686526.14
2.	Net profit before exceptional/ extraordinary item ,depreciation & tax	5238.10	51324.81	4788.29	51324.81
3.	Depreciation	907.53	1004.99	907.53	1004.99
4.	Net profit before exceptional/ extraordinary item & tax	4330.57	50319.82	3880.76	50319.82
5.	Exceptional/ extraordinary item :Prior Period Income	(82.73)	782.71	(82.73)	782.71
6.	Net Profit before Taxation	4247.84	51102.53	3798.04	51102.53
7.	Provision for tax (incl. deferred taxes)	3056.08	12753.24	3056.08	12753.24
8.	Net Profit after tax	1191.71	38349.28	741.96	38349.28
9.	Balance brought forward	152472.52	114123.23	152472.52	114123.23
10.	Appropriations	1191.77	38349.28	741.96	38349.28
11.	Balance carried forward	153664.29	152472.52	153214.48	152472.52

***Note:** figures of the last year is not comparable since this is first year of consolidation

2. Covid-19

In the FY 2020, the COVID-19 pandemic developed rapidly forcing the government to enforce lockdown in the entire nation. For the Company, the focus immediately shifted to ensuring the health

and well-being of all employees, and on minimizing disruption to services for all our customers. The company has taken cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review the account receivables and measures taken to control the expenditures.

3. Review of Operations

Standalone

Your Company has achieved satisfactory performance during the period under review and anticipates further acceleration in the performance in terms of sales and profits. The Company achieved total Revenue of ₹ 155.45 Crores (Previous Year ₹ 568.65 Crores). These revenues comprise of Jewellery Sales of ₹ 0.04 Crores (Previous Year ₹ 425.99 Crores), Bullion sales of 12.15 Crores (Previous Year ₹ 130.23 Crores) and Diamond Sales of 140.93 Crores (Previous Year ₹ 0.70 Crores) of ₹ The Net Profit stood at ₹ 0.12 Crores (Previous Year ₹ 3.83 Crores), The Company inspite of many challenges and competitive market conditions was able to achieve satisfactory Sales & Net Profit (After Tax) figures. The management is of the opinion that similar figures will be replicated in the coming future as the overall situation seems to be improving and your Company is working out the future strategy accordingly.

Consolidated

Your Company has achieved satisfactory performance during the period under review and anticipates further acceleration in the performance in terms of sales and profits. The Company achieved total Revenue of ₹ 155.52 Crores. These revenues comprise of Jewellery Sales of ₹ 0.04 Crores, bullion sales of 12.15 Crores and Diamond Sales of 140.93 Crores of ₹. The Net Profit stood at ₹ 0.07 Crores. The Company inspite of many challenges and competitive market conditions was able to achieve satisfactory Sales & Net Profit (After Tax) figures. The management is of the opinion that similar figures will be replicated in the coming future as the overall situation seems to be improving and your Company is working out the future strategy accordingly.

4. Dividend

The overall situation seems to be improving though at very slow pace due to the outbreak Covid-19 pandemic in the country and your Company is working out the future strategy accordingly. In order to conserve the resources for increasing business operations, no dividends are recommended for payment to the shareholders for the year.

5. Reserves

Standalone

The Company has earned profit of ₹ 0.12 Crores during the year and The Company has accumulated profits of ₹ 15.37 Crores along with Securities Premium of ₹ 9.72 Crores as on 31st March 2021.

Consolidated

The Company has earned profit of ₹ 0.07 Crores during the year and The Company has accumulated profits of ₹ 15.32 Crores along with Securities Premium of ₹ 9.72 Crores as on 31st March 2021

6. Capital Structure of the company

There is no any change in the capital structure of the company during the financial year ended 31st March 2021.

7. Change in the nature of business if any

There is no change in the nature of the business during the year.

8. Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

9. Subsidiary

During the year under review, your Company has following subsidiary:

Penta Overseas FZ- LLC was incorporated on 20th January, 2020.

Penta Overseas FZ -LLC is a wholly owned subsidiary of your Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, associates and joint venture Companies in Form AOC-1 is annexed as **Annexure A** to this report.

The separate audited financial statements in respect of the subsidiary company for the year ended 31st March, 2021 is placed on the Company's website www.pentagold.in and shall also be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same

10. Deposits

During the year under review, your Company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014. During the year, no amounts were outstanding which were classified as 'Deposits' under the applicable

provisions of Companies Act, 1956 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

11. **Number of Board Meetings Held**

The Board of Directors duly met twelve during the financial year from 1st April, 2020 to 31st March, 2021. The dates on which the meetings were held are as follows:

SN	Date of Board Meeting	SN	Date of Board Meeting
1.	15/05/2020	7.	16/10/2020
2.	12/06/2020	8.	22/10/2020
3.	31/07/2020	9.	13/11/2020
4.	24/08/2020	10.	30/12/2020
5.	07/09/2020	11.	31/12/2020
6.	01/10/2020	12.	25/02/2021

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013

12. **Committees of the Board:**

The Board has constituted various committees which are as follows:

a. **Audit Committee:**

The Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Committee presently comprises of the following member

Name of Members	Category	Position Held / status in Committee
Mr. Anand Bhagwanji Chaturvedi	Independent Director	Chairman of the Audit Committee
Mr. Dilip Rajkumar Patodia	Independent Director	Member
*Mr. Ashid Hammeed Sayyed	Independent Director	Member
*Ms. Minakshi Inder Singh	Independent Director	Member

* Mr. Ashid Hammeed Sayyed was appointed as a member of this committee on 15th November, 2019 and ceased to be a member on 23rd August, 2020.

*Ms. Minakshi Inder Singh was appointed as a member of this committee on 13th August, 2021.

The Term of Reference and Power of Audit Committee are as under:

- ❖ Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ❖ Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our company.

- ❖ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ❖ Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- ❖ Reviewing, the half yearly and annual financial statements with the management before submission to the Board for approval;
- ❖ Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ❖ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ❖ Approval or any subsequent modification of transactions of our Company with related parties;
- ❖ Scrutiny of inter-corporate loans and investments;
- ❖ Valuation of undertakings or assets of our company, wherever it is necessary;
- ❖ Evaluation of internal financial controls and risk management systems;
- ❖ Monitoring the end use of funds raised through public offers and related matters;
- ❖ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ❖ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ❖ Discussion with internal auditors of any significant findings and follow up there on;
- ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- ❖ Discussion with statutory auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ❖ To establish and review the functioning of the whistle blower mechanism;
- ❖ Approval of appointment of the chief financial officer (i.e., the whole –time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- ❖ Carrying out any other terms of reference as may be decided by the Board or specified / provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
- ❖ Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if

applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Powers of Audit Committee

- ❖ To investigate any activity within its terms of reference.
- ❖ To seek information from any employee.
- ❖ To obtain outside legal or other professional advice.
- ❖ To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee duly met four times during the financial year from 1st April, 2020 to 31st March, 2021. The dates on which the meetings were held are as follows:

SN	Date of Committee Meeting
1.	*23/07/2020
2.	24/08/2020
3.	13/11/2020
4.	07/01/2021

*Mr. Ashid Sayyed was granted leave of absence from the meeting held on 23rd July, 2021

b. Nomination and Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee consists of the following members:

Name of Members	Category	Position Held / status in Committee
Mr. Dilip Rajkumar Patodia	Independent Director	Chairman of the Nomination and Remuneration Committee
Mr. Anand Bhagwanji Chaturvedi	Independent Director	Member
Mr. Ashid Hammeed Sayyed	Independent Director	Member
Ms. Minakshi Inder Singh	Independent Director	Member

* Mr. Ashid Hammeed Sayyed was appointed as a member of this committee on 11th November, 2019 and ceased to be a member on 23rd August, 2020.

*Ms. Minakshi Inder Singh was appointed as a member of this committee on 13th August, 2021.

Scope and Terms of Reference of Nomination and Remuneration Committee:

- ❖ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating such policy ensure that (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; (b)

relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- ❖ Devising a policy on diversity of board of directors.
- ❖ Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every directors performance;
- ❖ To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee duly met twice during the financial year from 1st April, 2020 to 31st March, 2021. The dates on which the meetings were held are as follows:

SN	Date of Committee Meeting
1.	24/08/2020
2.	02/11/2020

c. Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee as per the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The Stakeholders Relationship Committee consists of the following members:

Name of Members	Category	Position Held / status in Committee
Mr. Anand Bhagwanji Chaturvedi	Independent Director	Chairman
Mr. Dilip Rajkumar Patodia	Independent Director	Member
Mr. Ketan Madhusudan Shroff	Managing Director	Member

*Mr. Ashid Hammeed Sayyed was appointed as a chairperson of this committee on 15th November, 2019 and ceased to be a member on 23rd August, 2020.

Mr. Anand Bhagwanji Chaturvedi was appointed as a chairperson of this committee on 24th August, 2020.

Details of investor complaints received during the year are provided below.

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference, powers and scope of the Stakeholders Relationship Committee include:

- ❖ To look into the redressal of grievances of shareholders, debenture holders and other security holders;

- ❖ To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- ❖ To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- ❖ To carry out any other function as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.”

The Stakeholders Relationship Committee duly met once during the financial year from 1st April, 2020 to 31st March, 2021. The dates on which the meetings were held are as follows:

SN	Date of Committee Meeting
1.	24/08/2020

Details of investor complaints received and redressed during FY 2021 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

13. **Corporate Social Responsibility :**

The company's net worth was less than ₹ 500 Crores, turnover was also less than ₹ 1000 crores and Net Profit as calculated as per Sec. 198 of Companies Act, 2013 was less than ₹ 5 crores during the immediately preceding financial year and hence your company does not fall under the criteria laid down in Section 135 of the Companies Act, 2013, hence the same are not applicable to the company for the period under review.

14. **WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

In compliance with the requirement of the Companies Act, 2013 and SEBI Listing Regulations, the Company has established a Whistle Blower Policy / Vigil Mechanism Policy and the same is placed on the web site of the Company viz. www.pentagold.in

A fraud and corruption free environment in a Company is the objective and in view of that, a Vigil Mechanism (Whistle Blower) Policy has been adopted by the Board for Directors and employees, which is uploaded on the website of the company www.pentagold.in pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. No complaint of this nature has been received by the Audit Committee during the year under review.

15. **Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report.**

There are no material changes and commitments affecting the financial position of the company that have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report except for the outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity.

The company is into the business of manufacturing and trading business of branded gold Jewellery and ornaments. The company has evaluated impact of this pandemic on its business operations.

Based on the review and current indicators of future economic conditions, as on current date, the Company has concluded that the impact of Covid-19 is material based on these estimates. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

16. Director's Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of the directors hereby confirm that –

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- They 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, 2021 and of the profit for the year ended on that date;
- They have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis.
- They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

17. Particulars Of Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings/Outgo And Employees

Particulars with respect to conservation of Energy, Technology absorption and foreign exchange earning & outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is set out hereunder.

SN	Particulars	Disclosure		
1	Conservation of Energy and Power consumption	Your Company has continued to accord priority to conservation of energy and is continuing its efforts to utilize energy more efficiently.		
2	Technology Absorption and Research & Development	Your Company's has developed its own technology base at its office. Your company has not absorbed or imported any technology and no research & development work is carried out.		
3	Foreign Exchange	Earnings	Export of goods	-
		Outgo	Import of goods	-

18. Directors and Key Managerial Personnel

During the year under review, the following are the changes in office of Directors and Key Managerial Personnel of the company.

➤ **Change in Non-Executive director:**

Mr. Ashid Hammeed was appointed as the Non-Executive Director of the company w.e.f. 11th November, 2019 and resigned w.e.f 23rd August, 2020.

Ms. Minakshi Inder Singh, was appointed as an Additional (Independent) Director of the company, w.e.f 13th August, 2021.

➤ **Chief Financial Officer:**

Mr. Rohit Sharma, resigned as a Chief Financial Officer of the company w.e.f. 18th September, 2019.

The position of the Chief Financial Officer is still vacant as your company could not find a suitable candidate. The screening for the suitable candidate is on.

➤ **Change in Company Secretary:**

Ms. Shimpee Rai was appointed as the Company Secretary and Compliance Officer of the company on 2nd November, 2020 and had resigned from the company with effect from 12th April, 2021.

The appointment of whole time company secretary and compliance officer is in process and will be done in due course.

➤ **Retirement by rotation:**

Mr. Ketan Shroff, Director of the company, retires under Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

19. Declaration by Independent Directors

The Company has received declaration from each independent director under section 149(7) of Companies Act, 2013 that he/she meets the criteria of independence laid down in the section 149(6) of Companies Act, 2013.

20. Performance Evaluation:

In compliance with the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual evaluation has been carried out by the Board of its

own performance, of its committees and Directors by way of individual and collective feedback from Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

21. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report and is attached as “**Annexure-C**”.

22. Corporate Governance:

Since the Company's securities are listed on SME Emerge Platform of National Stock Exchange of India Limited, by virtue of Regulation 15 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 the compliance with the corporate governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V are not applicable to the Company. Hence corporate governance does not form part of this Boards' Report.

23. Related Party Transactions

During the financial year 2020-21, your company has entered into transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013 read with Companies (Specifications of Definitions Details) Rules, 2014, which were in ordinary course of business and on arm length's basis and in accordance with the provisions of Companies Act, 2013, Rules issued thereunder. During the financial year 2020-21, there were no transactions with related parties which qualify as material transactions.

The details of the related party transactions as required under Accounting standard -18 are disclosed in the notes to accounts annexed to the financial statement forming part of this Annual Report.

24. Auditors

➤ Statutory Auditors

In accordance with Sec 139 of the Companies Act, 2013, M/s. R A N K & Associates, Chartered Accountants (FRN. 105589W), were appointed by the shareholders of the Company at the Fifth Annual General Meeting held as Statutory Auditors for a period of 5 years to hold office until the conclusion of the Tenth Annual General Meeting of the Company to be held in Financial year 2021-22.

➤ **Internal Auditor**

M/s Nimesh Thakkar & Co. Chartered Accountants, have conducted the internal audit for the financial year 2020-2021.

Pursuant to Section 138 of the Companies Act, 2013, read with relevant rules, if any, M/s. N H Vyas & Co. Chartered Accountants, were appointed as an Internal Auditor of the Company for the financial year 2021-2022.

➤ **Secretarial Auditor**

The report of the Secretarial Auditor by Mr. Anoop Jain, Practicing Company Secretary for the financial year 2020-21 is annexed to this report as “**Annexure D**”

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board has appointed Mr. Praveen Jain, Practicing Company Secretary, Praveen Jain & Co. (Membership No. F7151, COP: 21752) as a Secretarial Auditor for the Financial Year 2021-2022.

25. Reporting of fraud

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed there under.

26. Explanation or comments on qualifications, reservations or adverse remarks or disclaimer made by the auditors and the Practicing Company Secretary in their report.

The Report given by the Statutory Auditors on the financial statements of the Company is part of the Annual Report. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

The Report given by the Secretarial Auditor of the Company is part of the Annual Report. The matters referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

There is a qualification, given by the Statutory Auditor and Secretarial Auditor in their Report, to which the management has put forward their explanation in **Annexure-E**

27. Particulars of loans, guarantees or investments made under section 186 of the companies act, 2013

There were no loans and guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

28. Development and implementation of a risk management policy

Your Company has put in place Risk Management Policy to define a framework for identification, assessment and mitigation of risk_ are events, situations or circumstances which may lead to

negative consequences on the Company' businesses. Risk management is a structured approach to manage uncertainty. The Board has adopted a Risk Management Policy for its business and corporate functions and the same have embraced in the decision making to ease the risk involved. Key business risks and their mitigation are considered in day-to-day working of the Company and also in the annual/strategic business plans and management reviews.

29. The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013

In Compliance with Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, your Company has constituted an 'Internal Complaints Committee' ('Committee'). Because the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with Section 22 of the Act.

30. Disclosure for maintenance of Cost Records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

The Provision of section 148(1) of Companies Act, 2013 is not applicable to our Company.

31. Particulars of Employee:

During the year under review, none of the employees were in receipt of remuneration in excess of the limits prescribed under Section. 197 of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence the company is not required to give information under Sub Rule 2 and 3 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are disclosed in **Annexure B**

32. Certification on Non Disqualification of directors

The Certification on non- disqualification of directors is disclosed in **Annexure F**

33. Certification by Managing Director on Audited Financial Statements

Certification by the Managing Director is disclosed in **Annexure G**

34. Secretarial Standards

During the Financial Year 2020-21, the company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings.

35. Internal Financial Controls Systems and Their Adequacy

Your Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes.

During the year under review, no material or serious observation has been received from the

Internal Auditors of the Company for inefficiency or inadequacy of such controls.

36. Issue of Equity Shares with differential rights

During the year Company has not issued any equity shares with differential rights.

37. Acknowledgements

Your Directors place on record their sincere thanks to employees, bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed in your Company.

**On behalf of the board of Directors of
PENTA GOLD LIMITED**

**Sd/-
(Ketan M. Shroff)
Chairman & Managing Director
DIN: 00332988
Mumbai, 6th September, 2021**

ANNEXURE – A

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Part "A" Subsidiaries

(₹'000)

Sr No.	Particulars	Name of the subsidiary
		Penta Overseas FZ-LLC*
1	Reporting Period	January 2020 to March 2021
2	Reporting Currency	AED
3	Share Capital	Nil
4	Reserve & Surplus	444.09
5	Total Assets	1953.34
6	Total Liabilities	1509.25
7	Investment other than investment in Subsidiary	N/A
8	Turnover	720.46
9	Profit/(Loss) before taxation	(444.09)
10	Provision for taxation	N/A
11	Profit/(Loss) after taxation	(449.09)
12	Proposed Dividend	N/A
13	Percentage of shareholding	100%

* Balance Sheet and Profit / (Loss) items are translated at closing exchange rate of Rs.19.9466

ANNEXURE B TO DIRECTOR'S REPORT

Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A. The Percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the Financial year 2020-21 and ratio of remuneration of each key managerial personnel (KMP) against the performance are as under:-

Name of Key Managerial Personnel (s)	Designation	Total Remuneration (in Rs.)	Percentage Increase/(Decrease) in Remuneration for the Financial year 2020-21	Ratio of Remuneration of each KMP to the median remuneration of employees of the company for the financial year 2020-21
Mr. Ketan Madhusudan Shroff	Managing Director	12,60,000/-	(50)%	10.39 : 1
Ms. Shimpee Rai*	Company Secretary	2,35,490/-	-	1.94 : 1

*Ms. Shimpee Rai was employed for 5 months.

Notes:

1. Median Remuneration for the Financial year 2020-21 is ₹ 121310/-
2. The aforesaid details are calculated on the basis of remuneration for the financial year 2020-21.
3. The number of permanent employees on the rolls of the company is 3 for the year ended 31st March, 2021.
4. There was decrease of **46.51%** in median remuneration of employees during the financial year.

5. Average percentage decrease made in the salaries of employees other than managerial personnel in the Financial year 2020-21 was **64.64%**
6. It is affirmed that remuneration paid during the year ended 31st March, 2021 is as per Remuneration policy of the company.

**On behalf of the board
PENTA GOLD LIMITED**

**Sd/-
(Ketan M. Shroff)
Chairman & Managing Director
DIN: 00332988
Mumbai, 6th September, 2021**

ANNEXURE C TO DIRECTOR'S REPORT

Management Discussion and Analysis Report

1. ECONOMY

India's economy slowed down due to the sudden outbreak of the COVID-19 pandemic. Indian economy was struggling through a subdued economic environment with consumption, exports and private investment witnessing severe slowdown. Exports contracted during the entire financial year and consumption, which was the key growth engine, fell even more. The overall slowdown got further impacted due to the pandemic. After six weeks complete lockdown the government started easing restrictions in a phased manner to give pace to economic activities. The government is also taking initiatives to spur growth and provide support for the economy, along with fostering domestic industries through 'Atmanirbhar Bharat'. The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company. India's economy grew at a better-than-expected rate of 1.6% in the January-March quarter from a year ago, but the severe second Covid wave has created economic uncertainty and dampened sentiment. The economy, which was facing a slowdown even before the pandemic broke out last year, contracted by 7.3% during April 2020 to March 2021 fiscal (FY21), weighed down by nationwide lockdown that pummelled consumption and halted most economic activities. This is the first full-year contraction in the Indian economy in the last four decades since 1979-80, when GDP had shrunk by 5.2%. The economy has grown by 4% in the previous 2019-20 fiscal. The Government does not expect the severe second wave to have a large economic impact. However, the outlook appears uncertain.

Looking to the present situation of pandemic, the extent to which the same will impact Company's future financial results is currently uncertain and will depend on future developments.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

India's gems and jewellery export sector—which is one of the largest in the world—contributed ~27% to the global jewellery consumption in 2019. Market size of the global gems and jewellery sector is likely to expand to US\$ 103.06 billion between 2019 and 2023. India's gems and jewellery exports are expected to reach US\$ 100 billion by 2025.

In FY21, exports of gems & jewellery stood at US\$ 25.30 billion. In March 2021, exports of gems & jewellery stood at US\$ 3.42 billion.

In April 2021, India exported gems & jewellery worth US\$ 3.37 billion compared with US\$ 36.11 million in April 2020.

In September 2020, the US was the largest country (at 44%) to import gems and jewellery (US\$ 938.54 million) from India, followed by Hong Kong (~33%) and the UAE (~13%).

In FY21, cut and polished diamonds accounted for 67.75% of the total gems & jewellery exports.

According to Gem and Jewellery Export Promotion Council, between April 2020 and December 2020, gold bars accounted for ~6.8% (US\$ 678.77 million) and gold jewellery at ~1.8% (US\$ 181.49 million) of the total gems and jewellery imports in India. As per the World Gold Council (WGC), India's gold demand stood at 446.4 tonnes in 2020.

India has 10 special economic zones (SEZ) for gems & jewellery. These zones have more than 500 manufacturing units, which contribute 30% to the country's total exports.

The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or Government of India. The Government has made hallmarking mandatory for gold jewellery and artefacts and a period of one year is provided for its implementation.

As per Union Budget 2021, the Gem and Jewellery Export Promotion Council has proposed a reduction in import duty on cut and polished diamonds to 2.5%, from the existing 7.5%, in order to double exports of gems & jewellery to US\$ 70 billion by 2025.

Cumulative FDI inflows in diamond and gold ornaments in India stood at US\$ 1,190.83 million between April 2000 and March 2021 according to Department for Promotion of Industry and Internal Trade (DPIIT).

3. OPERATIONS OF THE COMPANY :

Although, we have achieved Standalone domestic sales turnover of Rs. 155.45 Crores and Standalone domestic sales turnover of Rs.155.52 But, due to unprecedented situation of pandemic, we are yet to realize outstanding dues from our overseas buyers as the debtors are lingering the payments terms. Hence, we are refraining to export further shipment to the buyers which results to take pause for our export sales. However, we are hoping to receive our dues in current financial year which enables to export pending orders of our existing buyers. Also, we hope we will engage new buyers and bounce back to our export sales with new record and achievements.

4. CURRENT SCENARIO :

Current year, we all are experiencing COVID-19 effects which is impacting luxury goods and lifestyle industry. Same can have negative impact on our performance for financial year 2021-2022 in the anticipation of so called 'third wave' of the pandemic. Further, COVID-19 has impacted earnings of middle class, higher middle class and working class, which may reduce their disposal surplus and impact on their spending preferences on luxury goods. This behavior also has impacted on our business too. During the financial year of 2020-21, our manufacturing unit was not operational due to lockdown imposed by

Maharashtra Govt in the wake of Covid-19 cases. Subsequently, our exports sales have been impacted adversely. However, the company's domestic sales unit has been working as per Government guidelines and as on date of this report. Overall, our sales unit is not working to full working time capacity. As a precautionary note we can say that current Financial Year will have severe negative impacts on your Company's performance. Company is taking steps to curtail expenses on various heads without compromising to customer satisfaction.

Company is also considering other business opportunities to diversify its business to earn profitability as well pump up the turnover.

5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The salient parameters of the financial performance of the Company during the year under review are as under:

Financial Results

(₹'000's)

SN	Particulars	Standalone		Consolidated	
		Year ended 31 st March, 2021	Year ended 31 st March, 2020	Year ended 31 st March, 2021	Year ended 31 st March, 2020*
1.	Total Sales/Income	1554473.66	5686526.14	1555194.12	5686526.14
2.	Net profit before exceptional/ extraordinary item ,depreciation & tax	5238.10	51324.81	4788.29	51324.81

3.	Depreciation	907.53	1004.99	907.53	1004.99
4.	Net profit before exceptional/ extraordinary item & tax	4330.57	50319.82	3880.76	50319.82
5.	Exceptional/ extraordinary item :Prior Period Income	(82.73)	782.71	(82.73)	782.71
6.	Net Profit before Taxation	4247.84	51102.53	3798.04	51102.53
7.	Provision for tax (incl. deferred taxes)	3056.08	12753.24	3056.08	12753.24
8.	Net Profit after tax	1191.71	38349.28	741.96	38349.28
9.	Balance brought forward	152472.52	114123.23	152472.52	114123.23
10.	Appropriations	1191.77	38349.28	741.96	38349.28
11.	Balance carried forward	153664.29	152472.52	153214.48	152472.52

***Note:** figures of the last year is not comparable since this is first year of consolidation

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The Company has taken various steps for strengthening organizational competency through the involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels. The Company acknowledges that its principal asset is its employees. Ongoing in-house

and external training is provided to the employees at all levels to update their knowledge and upgrade their skills and abilities. As on March 31, 2021, the Company had total 03 full time employees. The industrial relations have remained harmonious throughout the year.

8. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.

**On behalf of the board
PENTA GOLD LIMITED**

**Sd/-
(Ketan M. Shroff)
Chairman & Managing Director
DIN: 00332988
Mumbai, 6th September, 2021**

Anoop Kumar Jain
B.Com, ACS

Anoop Jain & Associates

Company Secretaries
B-1, Nemi Krishna Soc, 2nd Floor
Jethwa Nagar, V.L. Road, Kandivli(W)
Mumbai- 400067,
Email: anoopp_1985@yahoo.in
Tel: 022 28645232 Mob: 9930360818

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To

The Members,

PENTA GOLD LIMITED

2224, MANEK CHOWK OPP OLD SHARE BAZAR
AHMEDABAD GJ 380001 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Penta Gold Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's' Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the



explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Companyas given in **Annexure 'I'**for the Financial Year ended on **31st March, 2021** according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act,1996 and the Regulations and the Bye-laws framed thereunder;



- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment **(Not Applicable to the Company during the period under Audit)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are as follows:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not Applicable to the Company during the period under Audit)**



- f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999. Now known as the Securities and Exchange Board of India (Share based employees Benefits) Regulations, 2014 **(The Company has not introduced any such scheme during the financial year under review)**
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review)**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**
- i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**
- vi. Other law specifically applicable to the Company as per the representation made by the Management



I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company

I have also examined Compliance with the applicable clauses/Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013;

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent mentioned below:

Mrs. DiptiKetan Shroff, Woman Director resigned vide letter dated 15th November, 2019. The Board of Directors accepted the Resignation of Mrs. DiptiKetan Shroff, Woman Director w.e.f 15th November, 2019. Hence there is no woman director in the company w.e.f 15th November, 2019.

Mr. Rohit Sharma, Chief Financial Officer (KMP) resigned vide letter dated 16th August, 2019. The Board of Directors accepted the Resignation of Mr. Rohit Sharma of the Office of Chief Financial Officer (KMP) w.e.f 18th September 2019, Hence there was no Chief Financial Officer in the Company w.e.f 18th September, 2019.



Ms. Shimpee Rai Company Secretary and Compliance officer (KMP) resigned vide letter dated March 12, 2021. The Board of Directors accepted the Resignation of Ms. Shimpee Rai Company Secretary and Compliance officer (KMP) w.e.f 12th April, 2021, hence there was no Company Secretary and Compliance officer in the Company w.e.f 12th April, 2021.

There is a casual vacancy in the office of the Nomination and Remuneration Committee w.e.f. 23rd August, 2020.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all Directors to schedule the Board Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance or at a Shorter Notice basis and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member views are captured and recorded as part of the minutes.



I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

I further report that during the audit period the Company has the following specific events:

The Board of directors appointed Ms. Minakshi Inder Singh as the Woman (Independent) director of the company on 13th August, 2021

The company has received notices from the National Stock Exchange under Regulation 6 of SEBI LODR Regulations, 2015 regarding appointment of Company Secretary and Compliance Officer dated 7th August, 2020, 31st August, 2020, 6th November, 2020, 20th November, 2020, 6th January, 2021, 9th February, 2021, 22nd February, 2021.



The company also applied for waiver of fine on 15th January, 2021 which was accepted by the National Stock Exchange.

Place: Mumbai

For Anoop Jain & Associates

Date: 06th September, 2021

UDIN: A030202C000901853



**Anoop Kumar Jain
Practicing Company Secretary
Membership No.-30202
COP No.-10955**

This report is to be read with our letter of even date which is annexed as **“Annexure - II”** and forms an integral part of this report.

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Financial Statement of the Financial Year ended 31st March, 2021.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, and Share Transfer & Stakeholder Relationship Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of Annual General Meetings and Extra General Meeting held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.



9. Intimations received from directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Closure of Register of Members.

Place: Mumbai

For Anoop Jain & Associates

Date: 06th September, 2021
UDIN: A030202C000901853



Anoop Kumar Jain
Practicing Company Secretary
Membership No.-30202
COP No.-10955

Annexure - II

**To,
The Members,
PENTA GOLD LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

For Anoop Jain & Associates

**Date: 06th September, 2021
UDIN: A030202C000901853**



**Anoop Kumar Jain
Practicing Company Secretary
Membership No.-30202
COP No.-10955**

ANNEXURE E TO DIRECTOR'S REPORT

Company's Reply to the Statutory Auditor's Qualification/ Reservations

**To the Members of
Penta Gold Limited,**

STATUTORY AUDITORS' REPORT	COMPANY'S REPLY
Basis of Audit Qualification (Standalone)	
<p>1. <i>As explained in note 23.12. to the Standalone financial statements note 23.14 of Consolidated Financial Statements amongst the total inventory worth 262.28 crores as on 31st March 2021, majority of Inventories were lying with the third parties for which confirmation was obtained by the management.</i></p> <p><i>Since these stocks were lying with the third parties we were not able to physically verify the Inventories and hence in absence of the physical verification of the Inventories we are unable to comment upon the condition & existence of the Inventory based on third party confirmations and hence we are unable to comment on the impact, if any, of the same on the accompanying Standalone and Consolidated financial statements.</i></p> <p>For, R A N K & Associates Chartered Accountants FRN: 1055589W</p> <p>Sd/- Rahul Nahata Partner Membership Number: 116511</p>	<p>Stock worth ₹ 259.71 crores as on 31st March 2021, stored with Third party to mitigate safety risk since there was no proper storage facility available ensuring utmost safety.</p> <p>For and on behalf of the company</p> <p>Sd/- Ketan Madhusudan Shroff Chairman and Managing Director DIN: 00332988</p>

ANNEXURE E TO DIRECTOR'S REPORT

Company's Reply to the Secretarial Auditor's Qualification/ Reservations

SECRETARIAL AUDITORS' REPORT	COMPANY'S REPLY
Basis of Qualification	
<p>1. <i>Mrs. Dipti Ketan Shroff, Woman Director resigned vide letter dated 15th November, 2019. The Board of Directors accepted the Resignation of Mrs. Dipti Ketan Shroff, Woman Director w.e.f 15th November, 2019. Hence there is no woman director in the company w.e.f 15th November, 2019.</i></p> <p>2. <i>Mr. Rohit Sharma, Chief Financial Officer (KMP) resigned vide letter dated 16th August, 2019. The Board of Directors accepted the Resignation of Mr. Rohit Sharma of the Office of Chief Financial Officer (KMP) w.e.f 18th September 2019, Hence there was no Chief Financial Officer in the Company w.e.f 16th September, 2019.</i></p> <p>3. <i>Ms. Shimpee Rai Company Secretary and Compliance officer (KMP) resigned vide letter dated March 12, 2021. The Board of Directors accepted the Resignation of Ms. Shimpee Rai Company Secretary and Compliance officer (KMP) w.e.f, 12th April, 2021 hence there was no Company Secretary and Compliance officer in the Company w.e.f 12th April, 2021.</i></p>	<p>There was a casual vacancy in the office of woman director due to the resignation of Ms. Dipti Shroff w.e.f 15th November, 2019. Due to Covid-19 pandemic, the recruiting process was inadvertently stalled, due to which the Board could not fill the vacancy. However now Board have duly filled the vacancy by appointing Ms. Minakshi Singh as the Woman (Independent Director) w.e.f. 13th August, 2021.</p> <p>The position of the Chief Financial Officer is still vacant as your company could not find a suitable candidate. The screening for the suitable candidate is on, however due to Covid-19 pandemic, the recruiting process was inadvertently stalled and management is currently looking for suitable candidate commensurate with its requirement.</p> <p>Ms. Shimpee Rai, resigned as the Company Secretary and Compliance Officer of the company w.e.f. 12th April, 2021. The screening for the suitable candidate is on and management is currently looking for a suitable candidate commensurate with its requirement.</p>

<p>4. <i>There was a casual vacancy in the office of the Nomination and Remuneration Committee which was filled by the Board by appointing Ms. Minakshi Singh as the Woman (Independent Director) w.e.f 13th August, 2021</i></p> <p>For,</p> <p>Sd/- Anoop Jain & Associates Anoop Kumar Jain Practising Company Secretary Membership No. 30202 COP No. 10955 6th September,2021</p>	<p>There was a casual vacancy in the office of the Nomination and Remuneration Committee due to the resignation of Mr. Ashid Sayyed w.e.f. 23rd August, 2021. Due to Covid-19 pandemic, the recruiting process was inadvertently stalled, due to which the Board could not fill the vacancy. However now Board have duly filled the vacancy by appointing Ms. Minakshi Singh as the Woman (Independent Director) w.e.f. 13th August, 2021.</p> <p>For and on behalf of the company,</p> <p>Sd/- Ketan Madhusudan Shroff Chairman and Managing Director DIN: 00332988 6th September,2021</p>
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Anoop Kumar Jain
B.Com, ACS

Anoop Jain & Associates

Company Secretaries
B-1, Nemi Krishna Soc, 2nd Floor
Jethwa Nagar, V.L. Road, Kandivli(W)
Mumbai- 400067,
Email: anoopp_1985@yahoo.in
Tel: 022 28645232 Mob: 9930360818

ANNEXURE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

PENTA GOLD LIMITED

(CIN: L51109GJ2012PLC069352)

Registered Office: 2224, ManekChowk,

Opposite Old Share Bazar, Ahmedabad, Gujarat-380001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Penta Gold Limited having (CIN:L51109GJ2012PLC069352) and having registered office at 2224, ManekChowk , Opposite Old Share Bazar, Ahmedabad, Gujarat-380001(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.



Anoop
Kumar Jain

By this, I certify that the above information is true and correct to the best of my knowledge and belief and that the same is in accordance with the provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SR No.	Name of Director	DIN	Date of appointment in company
1.	KetanMadhusudan Shroff	00332988	12/03/2012
2.	DilipRajkumarPatodia	01357786	13/04/2017
3.	AnandBhagwanjiChaturvedi	01566749	13/04/2017
4.	*Minakshilnder Singh	07483620	13/08/2021

*Ms.Minakshilnder Singh was appointed as a Woman (Independent Director) of the company with effect from 13th August, 2021.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

For Anoop Jain & Associates

Date: 06/09/2021

UDIN NO:- A030202C000904713



**Anoop Kumar Jain
Practicing Company Secretary
Membership No.30202
COP No. 10955**

ANNEXURE G**MANAGING DIRECTOR CERTIFICATION**

Regulation 17(8) and 33(2) (a) of SEBI (LODR) 2015

- A. I have reviewed audited Financial Statements and cash flow statement for the year 2020-21 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**On behalf of the board
PENTA GOLD LIMITED**

**Sd/-
(Ketan M. Shroff)
Chairman & Managing Director
DIN: 00332988
Mumbai, 6th September, 2021**



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PENTA GOLD LIMITED

Report on the Audit of the Standalone financial statements

Qualified Opinion

We have audited accompanying Standalone financial statements of Penta Gold Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss and the cash flow statement for the year then ended on 31st March 2021, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2021 and Statement of Profit & Loss and its Cash Flow Statement for the year ended on that date.

Basis for Qualified Opinion

As explained in note 23.12. to the Standalone financial statements, amongst the total inventory worth 262.28 crores as on 31st March 2021, majority of Inventories were lying with the third parties for which confirmation was obtained by the management.

Since these stocks were lying with the third parties we were not able to physically verify the Inventories and hence in absence of the physical verification of the Inventories we are unable to comment upon the condition & existence of the Inventory based on third party confirmations and hence we are unable to comment on the impact, if any, of the same on the accompanying Standalone financial statements.

We conducted our audit of the Standalone 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 Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 Standalone financial statements.

Emphasis of Matter

(Rs in 000's except otherwise mentioned specifically)

- i. We draw attention to following points as mentioned in note 23.8. "Secured Loans" to the accompanying Standalone financial statements regarding Secured loans

- a. Facilities with Axis Bank

All the facilities with Axis Bank (i.e. Foreign Currency Demand Loan, Cash Credit & Funded Interest Term Loan) are classified as NPA w.e.f. 22nd December 2020 on account of irregularities



w.r.t repayment of overdrawn account and further no interest has been debited by axis bank for all the facilities from the month of December 2020, moreover on 09th April 2021 bank has matured FD of ₹ 4320.00 which was given as collateral security against the said facilities at ₹ 5692.95 (including accrued interest of ₹1372.95)

b. Facilities with SBI Bank

The Cash Credit facility has been overdrawn by ₹ 1010.89 as at 31-03-2021, The company have accepted offer for restructuring through additional limit for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021, which is still pending with the State Bank of India

The Guaranteed Emergency Credit Line facility has been overdrawn by ₹ 100.56 as at 31-03-2021, The company have accepted offer for restructuring through rescheduling of term loan for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021 which is still pending with the State Bank of India

c. Facilities with Karur Vysya Bank

All the facilities with Karur Vysya bank (i.e. Cash Credit Facility & Funded Interest Term Loan) are classified as NPA w.e.f. 23rd March 2021 on account of irregularities w.r.t repayment of overdrawn account further Karur Vysya Bank has initiated proceeding u/s 13(2) of SARFAESI Act through notice dated 09th June 2021 directing to pay the entire outstanding amount within 60 days of receipt of notice to which company is in process to submit its reply

d. Loan Outstanding of ICICI Bank – Export Packing Credit

The said facility has been cancelled on 06th March 2020 duly maturing all the FDs lien due to non-compliance with terms & conditions with credit arrangement letter. Accordingly, all the requisite provisions for Interest, Cancellation of Forward Contracts & other charges was already made in last year ended March 2020 and further bank has already called for outstanding balance of ₹ 1975.00 which is outstanding as at 31st March 2021 to which company is in process of complying

- ii. We draw attention to note 23.11. to the accompanying Standalone financial statements regarding the delays in fulfilling the export obligation of total 758.37 kg Imported raw gold beyond the timelines stipulated under Advance Authorisation obtained from DGFT, The Company is under proceeding for the said matter with Chief Commissioner of Customs.
- iii. We draw attention to note 23.13. to the accompanying Standalone financial statements regarding the delay in payment of foreign currency against Imports worth ₹ 12,46,933.75 which has been outstanding for more than permissible limits, for which the company has made application to authorized dealer to regularize the same.
- iv. We draw attention to note 23.14. to the accompanying Standalone Financial Statements regarding the delays in receipt of proceeds denominated in foreign currency against export of goods made by the Company to its overseas customers aggregating to ₹ 14,61,547.13 which have been outstanding for more than permissible limits. The Company is in process of filling necessary applications to authorize dealer/ Reserve Bank of India to regularize the same and further company is regularly following up with the customers to realize the export proceeds at earliest.

Our opinion is not modified in respect of the above matter.



Key Audit Matters

(Rs in 000"s except otherwise mentioned specifically)

This section of our auditor's report is intended to describe the matters selected from those communicated with those charged with governance that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion & Emphasis of matter paragraph, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters:

The Key Audit Matter	How our audit addressed the key audit matter
Recognition of Foreign Exchange Gain/Loss	
<p>The company has recorded ₹ 19,275.08 as Net Foreign Exchange gain from Monetary Items during the year. The company is subject to foreign exchange fluctuation risk</p> <p>As detailed in Significant Accounting Policies, described in note J, transactions in foreign currencies are recorded at actual rate on the date of transaction</p> <p>Monetary items denominated in foreign currencies at the end of the period are restated at the exchange rate prevailing at the end of period.</p> <p>Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.</p>	<p>Our Procedures Included:</p> <p>Assessing the effectiveness of the controls relating to the recognition of foreign currency transactions</p> <p>Assessing all the hedging practices for foreign currency exposures through execution / cancellation of Forward Contracts</p> <p>Assessing the adequacy of disclosure in note J of Significant accounting policies & note no 23.9. of other notes with respect to the disclosure requirements as per Financial Reporting Framework</p>

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include the Standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is no a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- Except for the matters stated in basis for qualified opinion paragraph 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.
- Except for the matters stated in basis for qualified opinion paragraph In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of accounts;
- Except for the matters stated in basis for qualified opinion paragraph In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer to Note 23.10. to the Standalone financial statements;
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in the paragraph 3 and 4 of the Order.

Date: 30th June, 2021
Place: Mumbai



For **RANK & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration No. 105589W

Rahul P. Nahata
(Partner)

Membership No. 116511
UDIN: 21116511AAAADU3533

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Penta Gold Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Penta Gold Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted



accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls system over financial reporting as at 31 March 2021:

The Company's internal controls over financial reporting with respect to the Inventories lying with the third parties which cannot be verified physically were not operating effectively, which could result in a potential material misstatement in the carrying value of inventory, cost of goods sold and its consequential impact on the earnings, reserves and related disclosures in the Standalone financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Standalone financial statements will not be prevented or detected on a timely basis

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at 31 March 2021.

Date : 30th June, 2021

Place: Mumbai



For RANK & ASSOCIATES

Chartered Accountants

ICAI Firm Registration No. 105589W

Rahul P. Nahata

(Partner)

Membership No. 116511

UDIN: 21116511AAAADU3533

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under the heading "Report on other Legal and Regulatory Requirements" of our report on even date to the members of Penta Gold Limited of even date.)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanation given to us and based on the records produced before us, the title deed of immovable properties are held in the name of the company.

ii. In our opinion except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with Third Parties at the year-end, written confirmations have been obtained by the management from Third Parties. No material discrepancies were noticed on the aforesaid verification.

iii. According to the information and explanation given to us, the Company has not granted any secured/unsecured loans to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance and Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of activities of the company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable except for the following:

Name of the Statute	Nature of the dues	Amount (₹ in 000's)	Period	Due Date	Date of Payment
Income Tax Act, 1961	Income Tax (Including Interest)	₹ 13,613.41	FY 2019-20	15th February 2021	Not paid yet
Income Tax Act, 1961	Income Tax (Including Interest)	₹ 469.16	FY 2018-19	30 th November	Not paid yet



				2019	
Income Tax Act, 1961	TDS	₹ 56.37	April 2020	7 th May 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 66.83	May 2020	7 th June 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 80.69	June 2020	7 th July 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 59.49	July 2020	7 th August 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 57.01	August 2020	7 th September 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 114.391	September 2020	7 th October 2020	Not Paid yet

- (b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax and Cess which have not been deposited as on 31st March, 2021 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ in 000's)	Amount Paid under protest	Period	Forum
Income Tax Act, 1961	Income Tax	₹ 1,30,65.48	2613.10	FY 2013-14	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Penalty under Customs	₹ 1,200.00	-	FY 2013-14	Customs Excise and Service Tax Appellate Tribunal

viii.

In our opinion and according to the information and explanations given to us, during the year the company has defaulted in the repayment of Term loan to banks & other financial institutions and Foreign Currency Demand Loan & Cash Credit Facilities from bank has been overdrawn as on 31st March 2021

Lender wise defaults which are outstanding as on 31st March 2021 are mentioned as follows:

(₹ in 000's)

Lenders	Facility type	Nature of Default & Remarks
Axis Bank	Foreign Currency Demand Loan	<ul style="list-style-type: none"> All the said facilities has been classified as NPA as stated in Emphasis of matter para "i.a" above Cumulative Sanctioned Limit for all the facilities is ₹. 2,00,000.00 Whereas outstanding loan as at balance sheet date is ₹. 2,26,522.08 No Interest has been charged by Bank from the month of December 2020 and account has been overdrawn from 01st September 2020 i.e. post moratorium granted by bank in pursuant to guidelines issued by RBI,
	Cash Credit	
	Funded Interest Term Loan	



		<ul style="list-style-type: none"> Amount overdrawn as on 31st March 2021 is ₹. 26,522.08 (which includes currency fluctuation of ₹ 4,723.21).
State Bank of India	Cash Credit Facility	<ul style="list-style-type: none"> The company have opted for restructuring seeking additional limit as stated in Emphasis of matter para "i.b" above Sanctioned Limit for the facility is ₹. 80,000.00 Whereas outstanding loan as at balance sheet date is ₹. 81,010.89 Account has been overdrawn as on 31st March by ₹. 1010.89
	Guaranteed Emergency Credit Line	<ul style="list-style-type: none"> The company have opted for restructuring seeking rescheduling of term loan as disclosed in Emphasis of matter para "i.b" above Sanctioned Limit for the facility is ₹. 16,000.00 Whereas outstanding loan as at balance sheet date is ₹. 16,100.56 Account has been overdrawn as on 31st March by ₹. 100.56
Karur Vysya Bank	Cash Credit Facility	<ul style="list-style-type: none"> All the said facilities has been classified as NPA as stated in Emphasis of matter para "i.c" above Cumulative Sanctioned Limit for all the facilities is ₹.80,000.00 Whereas outstanding loan as at balance sheet date is ₹. 93,787.54 The account has been overdrawn from 01st September 2020 i.e. post moratorium granted by bank in pursuant to guidelines issued by RBI, Amount overdrawn as on 31st March 2021 is ₹.13787.54.
	Funded Interest Term Loan	
ICICI Bank	Export Packing Credit	<ul style="list-style-type: none"> The said facility has been cancelled due to breach of terms & conditions of credit arrangement letter as stated in Emphasis of matter para "i.d" above The complete outstanding balance as at 31st march 2021 of ₹ 1,975.00 is overdrawn since limit has been cancelled
	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.717.5 belonging to period December 2020 to March 2021 (Principal – ₹ 513.40, Interest – ₹ 200.32 & other charges - ₹ 3.78) No payment has been made till date of signing



IIFL Finance Ltd	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.476.07 belonging to period February 2021 to March 2021 (Principal – ₹ 386.21, Interest – ₹ 56.70 & other charges - ₹ 33.16) No payment has been made till date of signing
	Unsecured Guaranteed Emergency Credit Line	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.9.25 belonging to period March 2021 (Interest – ₹ 6.30 & other charges - ₹ 2.95) No payment has been made till date of signing
Capfloat Finance Service Private Limited	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.774.54 belonging to period January 2021 to March 2021 (Principal – ₹ 728.89, Interest – ₹ 45.48 & other charges - ₹ 0.17) The company have further paid ₹ 239.14 against principal & ₹ 18.99 against interest after balance sheet date on 24th May 2021
Tata Capital Finance Services Limited	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹. 1,021.81 belonging to period April 2020 & September 2020 (Principal – 899.67, Interest – 21.90 & other charges - 100.24) No payment has been made till date of signing
	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was outstanding default in payment of ₹. 981.30 belonging to period December 2020 to March 2021 (Principal – 769.68, Interest – 49.35 & other charges - 162.27) No payment has been made till date of signing
Magma Fincorp Limited	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹. 1,744.11 belonging to period September 2020 to March 2021 (Principal – 1,598.83, Interest – 92.67 & other charges - 52.61) No payment has been made till date of signing



- ix. In our opinion and according to the information and explanation given to us, the Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers or employees of the company has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in the Nidhi Rules, 2014 and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Date : 30th June, 2021
Place: Mumbai



For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105589W

Rahul P. Nahata
(Partner)

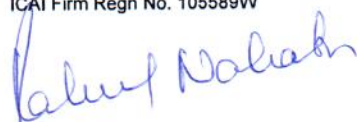
Membership No. 116511
UDIN: 21116511AAAADU3533

Standalone Balance Sheet as at 31st March, 2021

Equity & Liabilities	Note	31/03/2021 (₹'000)	31/03/2020 (₹'000)
Shareholder's Funds			
Share Capital	1	1,27,250.00	1,27,250.00
Reserves and Surplus	2	2,50,864.29	2,49,672.52
Non Current Liabilities			
Deferred tax liabilities (net)	23.5	10.92	20.17
Long Term Borrowings	3	18,045.61	15,946.34
Current Liabilities			
Short term borrowings	4	11,94,935.96	12,58,580.95
Trade payables	5	26,65,546.83	26,92,122.57
Other current liabilities	6	33,484.17	20,963.24
Short term provisions	7	2,246.44	14,416.47
Total -		42,92,384.22	43,78,972.27
Assets			
Non Current Assets			
Fixed assets - Tangible	8	7,103.74	7,881.11
Long-term loans and advances	9	201.00	201.00
Non-current investments	10	1,994.66	-
Current Assets			
Inventories	11	26,22,869.05	27,01,944.04
Trade receivables	12	16,15,214.30	15,05,006.17
Cash & cash equivalents	13	29,724.74	1,44,562.62
Short-term loans and advances	14	10,844.82	11,402.28
Other current assets	15	4,431.92	7,975.04
Total -		42,92,384.22	43,78,972.27

The accompanying notes form an integral part of the Standalone financial statements.
As Per our report of even date

For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Regn No. 105589W



Rahul P. Nahata
(Partner)
Membership No. 116511
Mumbai, 30th June, 2021



On behalf of Board of Directors of Penta Gold Limited



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Standalone Statement of Profit & Loss for the year ended 31st March, 2021

	Note	31/03/2021 (₹'000)	31/03/2020 (₹'000)
Continuing Operations			
Income			
Revenue from operations	16	15,31,246.18	55,69,258.44
Other Income	17	23,227.48	1,17,267.70
Total Revenue -		15,54,473.66	56,86,526.14
Expenses			
Cost material consumed	18	14,20,888.77	74,57,807.59
Changes in inventories	19	79,075.00	(19,35,261.42)
Employee benefits expense	20	2,385.82	5,200.26
Finance cost	21	43,726.17	72,089.46
Depreciation	8	907.53	1,004.99
Other expense	22	3,159.81	35,365.44
Total Expense -		15,50,143.09	56,36,206.32
Profit before exceptional/extraordinary items & tax		4,330.57	50,319.82
Exceptional / extraordinary Items			
- Prior Period Items	23.1	(82.73)	782.71
Profit before tax		4,247.84	51,102.53
Tax expense			
Current tax expense	23.5	1,368.62	13,996.83
Deferred tax		(9.25)	(102.01)
Short / (-) Excess Provisions of earlier years		1,696.71	(1,141.58)
Profit for the period from continuing operations (A)		1,191.77	38,349.28
Discontinuing operations (B)		1,191.77	38,349.28
Profit for the period (A + B)		0.09	3.01
Earning Per Share - Basic (₹)	23.3	-	-
Earning Per Share - Diluted (₹)		-	-

The accompanying notes form an integral part of the Standalone financial statements.
As Per our report of even date

On behalf of Board of Directors of Penta Gold Limited

For **RANK & ASSOCIATES**
Chartered Accountants
ICAI Firm Regn No. 105589W



Rahul P. Nahata
(Partner)
Membership No. 116511
Mumbai, 30th June, 2021



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



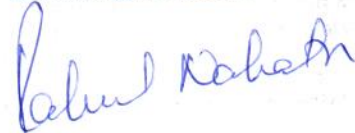
Standalone Statement of cash flows for the year ended 31st March, 2021

Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) after Tax as per Statement of P & L	1,191.77	38,349.28
Adjustments for :	3,065.33	12,855.25
Current Taxation	(9.25)	(102.01)
Deferred Taxation	4,247.84	51,102.53
Net Profit / (Loss) before Tax and Extraordinary items		
Adjustments for :	907.53	1,004.99
Depreciation	43,099.11	64,077.88
Interest Expenses	(19,278.94)	(20,265.20)
Unrealized Foreign exchange loss / (Gain)	(1,831.79)	(20,900.29)
Interest Income	27,143.76	75,019.91
Operating Profit before working capital changes		
Adjustments for :	79,075.00	(19,35,261.42)
(Increase) / Decrease in Inventories	(95,652.40)	(10,72,110.58)
(Increase) / Decrease in Trade Receivables	557.47	3,734.72
(Increase) / Decrease in Short Term Loans and Advances	3,543.13	(1,624.98)
(Increase) / Decrease in Other Current Assets	-	380.00
(Increase) / Decrease in Long Term Loans and Advances	(1,994.66)	-
(Increase) / Decrease in Non-current investments	(26,575.75)	23,51,648.92
Increase / (Decrease) in Trade Payables	12,520.93	8,989.53
Increase / (Decrease) in Other Current Liabilities	(15,073.57)	1,094.77
Increase / (Decrease) in Short term Provisions	(58,921.78)	5,93,885.01
Increase / (Decrease) in Short term Borrowings	2,099.27	15,946.34
Increase / (Decrease) in Long term Borrowings	(73,278.61)	41,702.22
Cash generated from / (used in) operating activities	(161.79)	(18,995.33)
Direct Taxes (paid) / refund	(73,440.39)	22,706.88
Cash flow before Extraordinary items	82.73	(782.71)
Extra Ordinary Item	(73,357.67)	21,924.18
Net Cash generated from / (used in) operating activities		
B. CASH FLOW FROM INVESTING ACTIVITIES	(130.17)	(48.09)
Purchase of Fixed Assets / Capital WIP	-	-
Proceeds from sale of Fixed Asset	1,749.06	21,683.00
Interest received & Other Income	1,618.90	21,634.91
Net cash used in investing activities		
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Proceeds from issue of share capital	-	-
Proceeds / (Repayment) of Short term borrowings	(43,099.11)	(64,077.88)
Interest paid	(43,099.11)	(64,077.88)
Net cash generated from financing activities		
Net increase in cash and cash equivalents (A+B+C)	(1,14,837.88)	(20,518.79)
Cash and cash equivalents at the beginning of the period	1,44,562.62	1,65,081.42
Cash and cash equivalents at the end of the period	29,724.74	1,44,562.62

Note : Above Cash Flow Statement is prepared as per Indirect Method prescribed in Accounting Standard - 3

As Per our report of even date

For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Regn No. 105589W



Rahul P. Nahata
(Partner)
Membership No. 116511

Mumbai, 30th June, 2021

On behalf of Board of Directors of Penta Gold Limited



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Significant Accounting Policies of Standalone Financial statements for the period ended on 31st March, 2021

(A to P...)

A. Basis of preparation of Financial Statements:

- (a) Basis of Preparation – These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.
- (b) Use of Estimates – The preparation of the financial statements entail the management to make certain estimates and assumptions that affect the facts and figures reported. Disparities between actual result and estimates are recognised in the period in which they materialise.
- (c) Method of Accounting – The Company generally follows the accrual method of accounting subject to the extent of determinability of accruals and keeping the materiality concept in view. All assets and liabilities are classified into current and non-current, based on the criteria of realisation or settlement within twelve months period from the balance sheet date.

B. Revenue Recognition:

- (a) Revenue is recognized net of GST and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.
- (b) Interest on fixed deposits with bank is accounted on accrual basis. Revenue is generally recognised on accrual basis.

C. Fixed Assets and Depreciation:

- (a) The fixed assets are shown at their cost of acquisition including any attributable costs. None of the fixed assets have been revalued during the period.
- (b) The management has physically verified the fixed assets during the period and no material discrepancies have been noticed on such verification.
- (c) Depreciation is provided on pro-rata basis on the period of usage of the assets. Depreciation is provided on written down value basis at the rates prescribed under Schedule II to the Companies Act, 2013.
- (d) In accordance with AS 28, where there is an indication of impairment of the Company's asset the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets is estimated, as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.



Impairment loss is recognized in the profit and loss account or against revaluation surplus where applicable.

- (e) Obsolete assets available for disposal are removed from the fixed assets register and appropriate amount is provided for realizable scrap

D. Investments:

- (a) Current investments are valued at the lower of cost and fair value as at the Balance Sheet date.
- (b) Non-Current investments are carried at cost. However, when there is a decline, other than temporary, in the value of the long-term investment, the carrying amount is reduced to recognize the decline.

E. Inventories:

- (a) The closing inventories of raw materials are valued at lower of cost (inclusive of all costs attributable) and net realisable value on FIFO basis. Raw materials held for use in the production of finished goods are not written down below cost in cases where the finished goods are expected to be sold at or above cost.
- (b) The closing inventories of finished goods and trading goods are valued at lower of cost (inclusive of all costs attributable) and market value on FIFO basis.

F. Retirement Benefits:

The management is of the opinion that no provisions for employees retirement benefits are required to be made.

G. Prior Period Items:

The Company follows the accrual system of accounting barring the effects and outcome of the provision for expenses which is made on the basis of the materiality concept and wherever ascertainable and treatment of certain items on receipt basis, as stated earlier.

H. Expenses:

Certain payments like the use of mobile phones, vehicles, club memberships, subscriptions to certain agencies/institutions, travelling etc., incurred by the directors and/or family members, are being provided to the directors, as the size and nature of business necessitates the use of these facilities, and are wholly for the purpose and business of the Company. The management confirms the propriety of these expenses/payments and of the debits given to the respective account heads.

I. Borrowing Costs:

Generally the borrowing costs attributable to acquisition and construction of assets are capitalized as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account.



J. Foreign Currency Transactions:

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the end of the period are restated at the exchange rate prevailing at the end of period.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

K. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

L. Hedge Transactions:

- (a) The Company in accordance with its risk management policies and procedures enters into currency option and commodity option forward contracts to manage its exposure in commodity and currency rates by way of hedging.
- (b) These contracts are for a period between one day and three months.
- (c) The commodities futures & currency futures contracts are initially valued at their transaction price and are marked to market on a daily basis. The open derivative contracts as on the balance sheet date are valued at their notional cut off prices.

M. Impairment of Assets:

An asset is treated as impaired when the carrying cost of an asset exceeds its realizable or recoverable value. An impairment loss (if any), is charged to the statement of profit and loss of the period in which any asset is identified as impaired. During the period none of the assets were identified by the management as impaired.

N. Tax Expense

- (a) Current Tax – Tax expense for the period, comprising of current tax (including MAT) and deferred tax are charged to the profits for the period. Current tax is measured at the amount expected to be paid to the revenue authorities in accordance with the prevailing tax laws. Minimum alternate tax (MAT) paid is recognised as an asset as it shall accrue future benefit in the form of a set off against current tax expense.
- (b) Deferred Tax – Pursuant to AS 22 - "Accounting for Taxes on Income", the Company computes the deferred tax arising on account of temporary timing differences between the taxable income and accounting income that originates in one period and is capable of being reversed in one or more subsequent periods,





using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. The net deferred tax liability (DTL) is charged to the profits, whereas a deferred tax asset (DTA) is recognised and carried forward only to the extent there is a reasonable certainty of future taxable profits to realize such DTA.

O. Contingent Liability & Subsequent Events:

All disputed and/or contingent liabilities are either provided for or disclosed as such, on the basis of mutual acceptances or depending on the management's perception of its potential outcome. The management has taken adequate steps to provide sufficiently for all known, anticipated or contingent liabilities. Events occurring after the balance sheet date up to the date of adoption of the financial statements, having a material bearing are considered while preparing the financial statements.

P. Segment Reporting:

The Company is primarily engaged in only segment of Gold Jewellery which comprises of studded gold Jewellery and plain gold Jewellery. This represents a primary segment. The secondary segmental reporting is on the basis of the geographical location of its customers.

For R A N K & Associates
Chartered Accountants
ICAI Firm Regn. No. 105589W

Rahul P. Nahata
(Partner)
Membership No. 116511

Mumbai, 30th June, 2021

On behalf of the Board of Directors of Penta Gold Limited

Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Notes to the Standalone Balance Sheet

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
1.	Share Capital		
a.	<u>Authorised</u> 1,50,00,000 Equity shares of ₹ 10/- each	1,50,000.00	1,50,000.00
b.	<u>Issued, Subscribed & Paid-up</u> 1,27,25,000 equity shares of ₹ 10/- each issued, subscribed & fully paid-up	1,27,250.00	1,27,250.00
c.	<u>Terms of Issue</u> The Company has only one class of equity shares of par value ₹ 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.		
d.	<u>Shareholding of more than 5%</u>		
i.	Ketan M. Shroff	9110980 71.60%	9110980 71.60%
e.	<u>Reconciliation of shares</u>		
i.	Equity shares at the beginning of the year	12,725.00	12,725.00
ii.	Add: Shares issued during the year	-	-
iii.	Equity shares outstanding at the end of the year	12,725.00	12,725.00
2.	Reserves & Surplus		
a.	<u>Statement of Profit & Loss</u>		
	Opening balance	1,52,472.52	1,14,123.23
	<u>Additions</u>		
	Net Profit after tax of the period	1,191.77	38,349.28
	<u>Appropriations</u>		
	Transferred to Capital Redemption Reserve for Bonus Issue	-	-
	Closing balance	1,53,664.29	1,52,472.52
b.	<u>Securities Premium Account</u>		
	Opening balance	97,200.00	97,200.00
	<u>Additions</u>		
	<u>Appropriations</u>		
	Transferred to Capital Redemption Reserve for Bonus Issue	-	-
	Closing balance	97,200.00	97,200.00
		2,50,864.29	2,49,672.52
3.	Long Term Borrowings		
a.	<u>Secured</u> Secured loan from Financial Institutions (refer Note 23.8.) (secured against personal guarantee of the directors and mortgage of immovable property of Director)	14,821.89	12,170.03
b.	<u>Unsecured</u> Unsecured loans from Banks and Financial Institutions	3,223.72	3,776.31
		18,045.61	15,946.34
4.	Short Term Borrowings		
a.	<u>Secured Loans Repayable on Demand</u>		
i.	Overdraft / cash credit from Banks (refer Note 23.8.) (secured against inventories, book debts in addition to personal guarantee of the directors and mortgage of immovable property of relative of Director's)	4,19,396.09	4,83,186.33
b.	<u>Unsecured Borrowings</u>		
i.	- From related parties (refer Note 23.4.) Unsecured loans from directors & relatives	7,61,177.11	7,57,900.34
ii.	- From Others Unsecured loans from Banks and Financial Institutions	2,955.02	6,086.55
	Unsecured loans from other corporates	11,407.74	11,407.74
	(Net-off TDS receivable from NBFC's)	11,94,935.96	12,58,580.95



Notes to the Standalone Balance Sheet

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
5.	Trade Payables		
a.	Trade Payables (refer Note 23.6. & 23.13)	26,50,558.07	26,88,311.27
b.	Trade advances	14,988.76	3,811.31
		26,65,546.83	26,92,122.57
6.	Other Current Liabilities		
a.	Statutory dues	874.09	860.76
b.	Sitting fees payable to directors	533.45	807.60
c.	Sundry creditors for expenses (refer Note 23.6.)	8,548.02	9,012.77
d.	Share Capital Payable to Wholly Owned Subsidiary (refer Note 23.18.)	1,994.66	-
e.	Income Tax payable (2018-19)	469.16	469.16
f.	Income Tax payable (2019-20)	13,613.41	-
g.	<u>Current maturities of long term debt</u>		
i.	<u>Secured</u>	933.43	677.52
	Secured loan from Financial Institutions (refer Note 23.8.) (12 monthly installments secured against personal guarantee of the directors and mortgage of immovable property of Director)		
ii.	<u>Unsecured</u>	1,432.51	5,725.58
	Unsecured loans from Banks and Financial Institutions (12 monthly installments) (Net-off TDS receivable from NBFC's)	-	1,878.98
h.	Interest accrued on overdraft facility	4,885.29	643.90
i.	Loan installments payable to Banks and Financial Institutions	200.15	8,86,976.00
j.	Salaries Payable	33,484.17	20,963.24
7.	Short Term Provisions		
a.	Provision for income tax [Current year] [Net of Tax Paid ₹ 161.79] (Previous years ₹ 2080.12)	1,191.12	11,916.71
b.	Provision for other expenses	1,055.32	2,499.76
		2,246.44	14,416.47
9.	Long-term loans and advances		
	<u>Deposits (Unsecured, considered good)</u>	-	-
a.	With government bodies	201.00	201.00
b.	Others	201.00	201.00
10.	Non-current investments		
	<u>Investments in Equity Instruments</u>	1,994.66	-
a.	Wholly Owned Subsidiary (refer Note 23.18)	1,994.66	-
11.	Inventories (certified by management) (also refer Note 23.8. , 23.11. & 23.12.)		
a.	<u>Jewellery</u>	6,22,993.17	5,41,302.29
i.	Raw material	3,53,811.22	4,48,288.95
ii.	Stock in process	16,46,064.65	16,45,610.30
iii.	Finished goods	-	-
b.	<u>Bullion</u>	-	66,742.50
i.	Gold Bullion	26,22,869.05	27,01,944.04
12.	Trade Receivables (unsecured, considered good) (refer note 23.14.)		
a.	Outstanding for less than six months	1,33,082.60	14,83,702.04
b.	Outstanding for more than six months	14,82,131.69	21,304.13
		16,15,214.30	15,05,006.17



Notes to the Standalone Balance Sheet

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
13.	Cash & Cash Equivalents (certified by the management)		
	<u>Cash & Cash Equivalents (refer Note 23.8.)</u>	1,988.44	2,552.16
a.	Balances with banks in current account	13.30	50.70
b.	Cash on hand		
	<u>Other Bank balances (refer 23.8.)</u>	5,750.02	5,445.71
a.	Fixed deposits with Axis Bank Ltd. (these deposits are under lien against bank OD/CC facilities/Gold Metal Loan/FCDL)	21,972.98	41,181.64
b.	Fixed Deposits with State Bank of India (held as margin money & security deposit against Credit Facility)	-	95,332.42
d.	Fixed Deposits with Bank of Bahrain & Kuwait (held as Security Deposit against Credit facility)		
	Note : Above Fixed Deposit amount includes interest accrued till 31st March, 2021.	29,724.74	1,44,562.62
14.	Short Term Loans & Advances		
	<u>Unsecured, considered good</u>	5,804.96	5,873.76
a.	Advances to suppliers & others	221.76	
b.	Advance for Application Money (refer note 23.19.)	4,115.04	4,833.66
c.	With government bodies (refer note 23.10.)	-	694.86
d.	Advance for Subsidiary formation (refer note 23.18.)	703.05	-
e.	Incorporation expenses recoverable (refer note 23.4. & 23.18.)	10,844.82	11,402.28
15.	Other Current Assets (Unsecured, considered good)		
a.	Membership	135.00	135.00
b.	Prepaid Expenses	0.00	593.72
c.	Unutilised GST Credit	4,190.83	6,961.33
d.	Deposit with Stock Exchange	-	25.00
e.	CST Deposits	-	10.00
f.	Others	106.08	249.99
		4,431.92	7,975.04



Notes to the Standalone Statement of Profit & Loss

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
16.	Revenue From Operations		
	<u>Sale of products</u>		
a.	Jewellery	404.01	7,61,404.66
	- Domestic Sales (Net)	-	34,98,519.46
	- Exports Sales	404.01	42,59,924.12
b.	Bullion	1,21,513.40	13,02,267.60
c.	Diamond	14,09,328.77	7,066.72
		15,31,246.18	55,69,258.44
17.	Other Income		
a.	Interest on Bank Deposits	1,831.79	20,900.29
b.	Interest on VAT Refund	86.25	192.43
c.	Foreign Exchange Fluctuation Gain/(Loss) (refer Note 23.9.)	19,275.04	95,995.73
d.	Duty Drawback	-	127.69
e.	Others (refer Note 23.4.)	2,034.41	51.57
		23,227.48	1,17,267.70
18.	Cost of Material Consumed		
a.	Purchases (Incl. Import duty)	14,20,888.77	74,11,273.15
b.	Making /Job Work Charges	-	42,234.66
c.	Import / Export Expenses	-	4,299.78
		14,20,888.77	74,57,807.59
19.	Changes in Inventories (Verified & Certified by Management)		
a.	<u>Jewellery</u>		
	<u>Inventories at the end of the year (also refer Note 23.8. , 23.11. & 23.12.)</u>		
i.	Raw materials	6,22,993.17	5,41,302.29
ii.	Stock in process	3,53,811.22	4,48,288.95
iii.	Finished goods	16,46,064.65	16,45,610.30
		26,22,869.05	26,35,201.54
	<u>Inventories at the begin of the year</u>		
i.	Raw materials	5,41,302.29	6,69,465.35
ii.	Stock in process	4,48,288.95	78,716.97
iii.	Finished goods	16,45,610.30	18,500.30
		26,35,201.54	7,66,682.63
	Net increase (-) / decrease in inventories (A)	12,332.50	(18,68,518.92)
b.	<u>Bullion</u>		
i.	Inventories at the end of the year	-	66,742.50
ii.	Inventories at the begin of the year	66,742.50	-
	Net increase (-) / decrease in inventories (B)	66,742.50	(66,742.50)
	Total Net increase (-) / decrease in inventories (A+B)	79,075.00	(19,35,261.42)
20.	Employee Benefits Expense		
a.	Salaries & Welfare	975.82	2,169.26
b.	Directors Remuneration (Incl. Sitting fees) (refer note 23.4.)	1,410.00	3,031.00
		2,385.82	5,200.26
21.	Finance cost		
a.	Interest expenses	43,099.11	64,077.88
b.	Other Borrowing costs	627.06	8,011.58
		43,726.17	72,089.46



Notes to the Standalone Statement of Profit & Loss

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
22.	Other Expenses	735.00	585.00
a.	Audit Fees (refer note 23.7.)	806.79	1,848.35
b.	Bank charges	-	17,143.09
c.	Bad Debts	-	436.86
d.	Discount Given	40.61	242.95
e.	Electricity Charges	263.35	256.10
f.	Insurance Expenses	429.10	351.45
g.	Interest & Late Filing Fees	433.59	1,068.97
h.	Legal & Professional Charges	-	10,075.50
i.	Loss on Hedge	-	65.00
j.	Membership & Subscriptions	98.30	231.66
k.	Miscellaneous Expenses	17.19	132.80
l.	Office Expenses	-	19.70
m.	Printing & Stationery	275.00	2,100.00
n.	Rent	23.50	22.63
o.	Repairs & Maintenance Charges	35.37	71.84
p.	Telephone Charges	2.00	713.55
q.	Travelling Expenses	3,159.81	35,365.44



(' ₹000)

Note 8 - Fixed Assets

Rs. Crores

Note 8 - Fixed Assets										Net Block	
Sn	Particulars	Gross Block (At Cost)				Depreciation / Amortisation				As At 31-03-2021	As At 31-03-2020
		As At 01-04-2020	Additions during the Period	Deductions during the Period	As At 31-03-2021	Upto 01-04-2020	For the Period	Deductions during the Period			
	Tangible Assets -										
1.	Computer & Peripherals	611.25	130.17	-	741.42	564.95	58.06	-	623.01	118.41	46.30
									927.79	303.54	440.53
2.	Plant & Machinery	1,231.33	-	-	1,231.33	790.80	136.99	-			
									7,523.20	6,681.80	7,394.28
3.	Office Building	14,205.00	-	-	14,205.00	6,810.72	712.48	-	9,074.00	7,103.74	7,881.11
	Current Period Total	16,047.58	130.17	-	16,177.75	8,166.47	907.53	-	8,166.47	7,881.11	8,838.01
	Previous Period Total	15,999.49	48.09	-	15,999.49	7,161.48	1,004.99	-			



Note 23 - General Notes to the Standalone Financial statement for the period ended on 31st March, 2021

(₹ in 000's except otherwise mentioned specifically)

23.1. Prior Period Items:

There were prior period items (net income) of ₹ 82.73 during the year. (Previous year ₹ 782.71)

23.2. Borrowing Costs:

During the period all the assets were acquired in a ready use condition.

23.3. Earnings Per Share:

Disclosure pursuant to Accounting Standard (AS) 20:

SN	Particulars	31/03/2021	31/03/2020
1	Profits available for equity shareholders (Amt. in ₹)	1,191.77	38,349.28
2	Nominal value of equity shares	10	10
3	Weighted average no. of equity shares outstanding during the period	1,27,25,000	1,27,25,000
4	Basic EPS (Amt. in ₹)	0.09	3.01

23.4. Related Party Transactions:

Disclosure pursuant to AS 18:

SN	Name of the Party	Relationship	Nature of Transaction	31-03-2021 (₹)	31-03-2020 (₹)
a.	Ketan Shroff	Managing Director	Remuneration Paid	12,60.00	25,20.00
			Unsecured Loans received	7,61,177.11*#	7,57,900.34*#
			Sitting Fees	3.00	3.00
b.	Pinakin Shroff	Director's Brother	Remuneration Paid	-	362.40
			Written back Remuneration payable ^s	59.80	-
c.	Dipti Shroff	Non-Executive Director	Sitting Fees	-	133.00
			Written back Sitting fees payable ^s	318.90	-
d.	Sulochana shroff	Director's Mother	Written back Rent payable ^s	810.00	-
e.	Dilip Patodia	Independent Director	Sitting Fees	76.00	185.00
f.	Anand Chaturvedi	Independent Director	Sitting Fees	71.00	185.00



g.	Ashid Sayyed	Non-Executive Director	Sitting Fees	-	4.50
h.	Penta Overseas FZ LLC ¹	Wholly Owned Subsidiary	Investment in Capital	1994.66	-
			Capital Investment obligation (payable)	1994.66	-
			Incorporation expenses recoverable	703.05	-
i.	Rohit Sharma [^]	CFO	Remuneration	-	229.20
			Written back Remuneration payable [§]	342.00	-
j.	Dipika Singh [@]	WTCS	Remuneration	-	169.73
k.	Shimpee Rai [~]	WTCS	Remuneration	235.49	143.49

^{*} Outstanding closing balances unless specified otherwise.
[#] The said loan has been brought in pursuance of the stipulation of lending financial Institution.
¹ Further refer note 21.18
[^] Mr. Rohit Sharma Resigned as CFO w.e.f. 16th September 2019
[@] Mrs. Dipika Singh resigned as WTCS w.e.f. 30th September 2019
[~] Ms. Shimpee Rai resigned as WTCS w.e.f. 12th April 2021
[§] All the above written back is pursuant to bilateral confirmation with such parties

23.5. Deferred Tax Balance:
Disclosure pursuant to AS 22:

SN	Particulars	31-03-2021 (₹)	31-03-2020 (₹)
1.	Deferred Tax Asset –		
	(a.) On Block of Fixed Assets	---	---
	(b.) On Other items	---	---
	Sub Total (A)	---	---
2.	Deferred Tax Liability –		
	(a.) On Block of Fixed Assets	10.92	20.17
	(b.) On Other items	---	---
	Sub Total (B)	---	---
	Net Deferred Tax Liability / (-) Asset (B-A)		

Deferred Tax Charged during the year is (₹ 9.25) (previous year ₹ 102.01)

23.6. In As per the section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED Act') the outstanding payable to Micro, Small and Medium Enterprises as defined under the MSMED Act are required to be disclosed in the annual statement of accounts. Henceforth, the amount payable to Micro, Small and



Medium Enterprises as on 31 March 2021 is ₹ 5,837.50 and out of which amount due for more than 45 days is ₹ 5,837.50. The reason of delay was due to mutual agreement between the parties with respect to terms of payment.

Further, dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

23.7. Remuneration to Auditors:

Audit Fees Includes:

SN	Particulars	31-03-2021 (₹)	31-03-2020 (₹)
1.	Statutory Audit Fees	400.00	400.00
	Total	400.00	400.00

23.8. Secured Loans

The total outstanding balance of all Working Capital Facilities at 31st March, 2021 amounted to ₹ 4,35,219.98 (net) from Multiple Banks and Financial Institutions as follows:

S N	Lender s	Nature of facility	Outstanding Balance as at 31 st March, 2021	Security		
				Primary Security	Collateral Security	Guarantee
1.	Axis Bank@	Foreign Currency Demand Loan*	₹ 1,56,968.48	Hypothecation, by way of charge on entire current assets of the company, including stock & book debt (present & future), stocks in transit and also stocks under process with various job workers on paripassu basis	Immovable Properties owned by Director & Fixed Deposit of ₹ 43 Lakhs	Personal guarantee of the Director Mr. Ketan Shroff
		Cash Credit	₹ 62,397.05			
		Funded Interest Term Loan	₹ 7,156.55			
2	State Bank of India	Cash Credit^	₹ 81,010.89	Hypothecation, by way of charge on entire current assets of the company, including stock & book debt (present & future), stocks in transit and also stocks under process with various job workers on paripassu basis	Immovable Property owned by Relative of Director & Fixed Deposit of ₹ 2 Crores	Personal guarantee of the Director Mr. Ketan Shroff & Relative of Director Mrs Sulochana Shroff
		Guaranteed Emergency Credit Line \$	₹ 16,100.56			



3	Karur Vysya Bank*	Cash Credit	₹ 87,300.31	Hypothecation, by way of charge on entire current assets of the company, including stock & book debt (present & future), stocks in transit and also stocks under process with various job workers on paripassu basis	Immovable Property owned by Director and Corporate office of the Company.	Personal guarantee of the Director Mr. Ketan Shroff
		Funded Interest Term Loan	₹ 6,487.23			
4	Shriram Housing Finance	Loan Against Property	₹15,823.91	Immovable Property owned by Mr. Ashid Sayyed (erstwhile director of the company)		Personal guarantee of the Director Mr. Ketan Shroff , Mr. Ashid Hammeed Sayyed (Erstwhile Director) & Relative of Director Mrs Dipti Shroff
5	ICICI Bank~	Export Packing Credit	₹ 1,975.00	NIL	NIL	NIL

The above facilities carry interest ranging from 7% to 14.75% per annum.

*Includes accumulated currency fluctuation of ₹ 4723.21 on FCDL outstanding as at 31-03-2021.

@The said facilities are classified as NPA w.e.f. 22nd December 2020 on account of irregularities w.r.t repayment of overdrawn account and further no interest has been debited by axis bank for all the facilities from the month of December 2020, moreover on 09th April 2021 bank has matured FD of ₹ 4320.00 which was given as collateral security against the said facilities at ₹ 5,692.95 (including accrued interest of ₹ 1,372.95)

^ The said facility has been overdrawn by ₹ 1010.89 as at 31-03-2021, The company have accepted offer for restructuring through additional limit for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021, which is still pending with the State Bank of India

§ The said facility has been overdrawn by ₹ 100.56 as at 31-03-2021, The company have accepted offer for restructuring through rescheduling of term loan for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021 which is still pending with the State Bank of India

%The said facilities are classified as NPA w.e.f. 23rd March 2021 on account of irregularities w.r.t repayment of overdrawn account further Karur Vysya Bank has initiated proceeding u/s



13(2) of SARFAESI Act through notice dated 09th June 2021 directing to pay the entire outstanding amount within 60 days of receipt of notice to which company is in process to submit it's reply

~ The said facility has been cancelled on 06th March 2020 duly maturing all the FDs lien due to non-compliance with terms & conditions with credit arrangement letter. Accordingly, all the requisite provisions for Interest, Cancellation of Forward Contracts & other charges was already made in last year ended March 2020 and further bank has already called for outstanding balance of ₹ 1,975.00 which is outstanding as at 31st March 2021 to which company is in process of complying

23.9. Foreign Currency Transactions:

- (a) During the period the company has recognized net foreign exchange gain of ₹ 19,275.08/- (previous year ₹ 95,995.73/-)
- (b) Total Short-Term Borrowings includes Foreign Currency loan facility of USD 21,45,374.60 which is restated at the exchange rate prevailing at the end of period.

23.10. Contingent Liability:

Name of Statute	Nature of dues	Amount of Dispute (31/03/21)	Amount of Dispute (31/3/20)	Amount Deposited up to the date of Approval of Accounts	Period to which it relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	₹ 13065.48	₹ 13065.48	₹ 2613.10*	FY 2013-14	Commissioner of Income Tax (Appeals).
Customs Act, 1962	Penalty under Customs	₹ 1700.00 [#]	₹ 1700.00	---	FY 2013-14	Customs Excise and Service Tax Appellate Tribunal & BOI Bullion Branch
Customs Act, 1962	Basic Custom Duty & IGST	₹ 2,75,000.00 [^]	---	---	FY 2019-20	Chief Commissioner of Customs

*20% of Total Demand as per CBDT Instruction has been deposited in protest

[^] Also refer Note 21.11



23.11. Delay in Export Obligation:**For Advance Authorization No 0310827863**

The company has Imported 493 kg raw gold against Advance Authorization dated 22.03.2019 without payment of custom duty with obligation to process and export the Jewellery to overseas customers

Amongst above the company has utilized 335.413 kg raw gold & exported to the overseas customers within permissible time however for remaining 157.587 kg raw gold the company was unable to fulfill the obligation within permissible time, duties forgone in the form of Basic Custom Duty & IGST for pending obligation of 157.587 kg is ₹ 63,117.99 The company then had applied for relaxation for the extended period. However, it was not granted.

The company on 15th October 2019 made Application with the Policy Relaxation Committee of DGFT seeking extension of time & Due to the above delay in fulfilling Export Obligation Investigation was carried out by Department of Revenue Intelligence on 26th February 2020 & during the Investigation Gold Jewellery weighing 7.77 kg was seized by the authorities vide seizure memo dated 27th February 2020

For Advance Authorisation No 0310829459

The company have also Imported 971 Kg raw gold of under Advance Authorisation dated 06/06/2019 without payment of custom duty with obligation to process and export the Jewellery to overseas customers

Amongst above the company has utilized 531.43 kg & exported to the overseas customers within permissible time, However for remaining 439.57 kg the company has still not been able to fulfill the obligation and the authorization has been expired as on date, duty foregone in the form of Basic Custom Duty & IGST for pending obligation of 439.57 kg is ₹ 2,47,989.84

For Advance Authorisation No 0310834026

The company have also Imported 177 Kg raw gold of under Advance Authorisation dated 09/01/2020 without payment of custom duty with obligation to process and export the Jewellery to overseas customers

Amongst above the company has utilized 15.78 kg & exported to the overseas customers within permissible time, However for remaining 161.22 kg the company has still not been able to fulfill the obligation and the authorization has been expired as on date, duty foregone in the form of Basic Custom Duty & IGST for pending obligation of 161.22 kg is ₹ 97,100.37

Note - For all the above pending obligations company is in proceeding before Chief Commissioner of Customs, Mumbai wherein they are pleading for relaxation to fulfill the said obligation



23.12. Inventory:

The inventory comprising of raw material and finished goods is physically verified by the management at regular intervals and as at the end of the year. In respect of stock lying with third parties as at the year-end written confirmations has been obtained by the management. The quantity and valuation inventory at the year, end has been certified by the management.

Amongst the entire stock worth 262.28 crores as on 31st March 2021, Inventories worth 259.71 crores were stored with Third party to mitigate safety risk since there was no proper storage facility available ensuring utmost safety.

Inventories costing ₹ 2.56 crores was seized by DRI authorities as explained in note 21.12

23.13. Delay in Payments of Foreign Currency against Imports:

Trade Payables as at 31st March 2021 inter alia, includes outstanding from Import Suppliers aggregating to ₹.12,46,933.75 (USD 17,042.53) which has been outstanding for more than permissible limits, for which the company has made application to authorized dealer to regularize the same.

23.14. Delay in Trade receivable from Export Customer

Trade receivables as at 31 March 2021, inter alia, include outstanding from export customers aggregating to ₹.14,61,547.13 (USD 18,166.11) which have been outstanding for more than permissible limits. The Company is in process of filling necessary applications to authorize dealer/ Reserve Bank of India to regularize the same and further company is regularly following up with the customers to realize the export proceeds at earliest.

23.15. Segment Information:
(a) Business segments

The management is of the opinion that the Company is primarily engaged in only one business segment of Gold Jewellery & diamonds, hence there is no variation in risk and rates of return arising from one or more segments.

(b) Geographical segments

The customer base of the Company is spread across India as well as in overseas hence the management of the Company has recognized its secondary segmental reporting on the basis of the geographical location of its customer

Period Ended 31 st March, 2021	India	Overseas	Total
Revenue*			
Sales to External Customers	15,31,246.18	-	15,31,246.18
Other Segment information			
Segment assets #	1,51,883.86	14,61,547.13	16,13,430.99
Period Ended 31 st March, 2020	India	Overseas	Total
Revenue*			
Sales to External Customers	20,70,738.98	34,98,519.46	55,69,258.44
Other Segment information			
Segment assets #	18,809.08	14,86,197.09	15,05,006.17



*denotes Net of Excise Duty; #denotes trade receivables.
 Note: The assets of the Company other than trade receivables for domestic as well as overseas customers are common. Hence, the amounts of fixed and other assets shall be allocated to India only.

23.16. Additional Information:

Additional information to the extent not already reported elsewhere, are specified below

SN	Particulars	31/03/2021	31/03/2020
1	Expenditure in Foreign Exchange	---	---
2	Value of Imports on CIF basis in respect of stock in trade	---	₹ 53,79,579.62 US \$ 7,51,39,465.00 GBP £ 70,715.00
3	Other remittances in foreign exchange	---	---
4	Consumption of imported materials	---	---
5	Earnings in foreign exchange (FOB Value of exports)	---	₹ 34,96,767.06 US \$ 28,28,078.11 € 6,69,181.87
6	Amounts set aside/withdrawn from any specific or non-specific reserves	---	---

23.17. The industry as a whole has been adversely impacted due to COVID-19 and consequent lockdown resulting out of it. The Company has faced significant headwinds due to COVID-19 impacting the operations & performance of the Company for the year ended 31 March 2021 has been impacted due to this unprecedented disruption. Any impact in future will largely depend on factors such as overall improvement in Covid situation, customer confidence, etc.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventory, receivable and other current assets. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of financial statements. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered. However, given the continuing uncertainty on account of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statement.

23.18. The Company has incorporated a wholly owned subsidiary in the name of Penta Overseas FZ-LLC in UAE under Ras Al Khaimah Economic Zone Authority, However company have not made capital remittance of AED 1,00,000 (in ₹ 1994.66) towards share capital as on Balance Sheet date i.e 31st March 2021. However, since operation of the foreign subsidiary has been started from this financial year, Management has decided to separately present consolidate financial statement as on 31st March 2021 along with standalone financial statement.

The company have further expended amount of ₹ 6.94 towards incorporation expenses which has been shown as advance since it is recoverable from subsidiary entity



23.19. The Company had paid share application money during the year, for acquisition of 51% shares in Rodinia Energy Private Limited. Shares of the same are allotted on 12th April 2021.

23.20. Previous year figures are regrouped, recast and reclassified wherever necessary. Figures in brackets are pertaining to previous year.

For RANK & Associates

Chartered Accountants

ICAI Firm

Regn.No.105589W



Rahul P. Nahata

(Partner)

Membership No. 116511

Mumbai 30th June 2021

On behalf of the Board of Directors of Penta Gold Limited



Ketan M. Shroff

(Chairman & Managing Director)

(DIN: 00332988)





INDEPENDENT AUDITOR'S REPORT

To
The Members of
PENTA GOLD LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited accompanying Consolidated Financial Statements of Penta Gold Limited ("the Parent"), which comprise the Consolidated Balance Sheet as at 31st March 2021, the consolidated statement of Profit and Loss as at 31st March 2021 and the consolidated Cash Flow Statement for the year then ended on 31st March 2021 and its subsidiary Penta Overseas FZ-LLC ("the subsidiary") (the Parent and its subsidiary together referred as "the Group"), and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2021 and Statement of Profit & Loss and its Cash Flow Statement for the year ended on that date.

Basis for Qualified Opinion

As explained in note 23.14. to the consolidated financial statements, amongst the total inventory worth 262.28 crores as on 31st March 2021, majority of Inventories were lying with the third parties for which confirmation was obtained by the management.

Since these stocks were lying with the third parties we were not able to physically verify the Inventories and Hence In absence of the physical verification of the Inventories we are unable to comment upon the condition & existence of the Inventory based on third party confirmations and hence we are unable to comment on the impact, if any, of the same on the accompanying Consolidated financial statements.

We conducted our audit of the Consolidated 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 Consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated 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 Consolidated financial statements.

Emphasis of Matter

(Rs in 000"s except otherwise mentioned specifically)

- i. We draw attention to following points as mentioned in note 23.10. "Secured Loans" to the accompanying Consolidated financial statements regarding Secured loans



a. Facilities with Axis Bank

All the facilities with Axis Bank (i.e. Foreign Currency Demand Loan, Cash Credit & Funded Interest Term Loan) are classified as NPA w.e.f. 22nd December 2020 on account of irregularities w.r.t repayment of overdrawn account and further no interest has been debited by axis bank for all the facilities from the month of December 2020, moreover on 09th April 2021 bank has matured FD of ₹ 4320.00 which was given as collateral security against the said facilities at ₹ 5692.95 (including accrued interest of ₹ 1372.95)

b. Facilities with SBI Bank

The Cash Credit facility has been overdrawn by ₹ 1010.89 as at 31-03-2021, The company have accepted offer for restructuring through additional limit for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021, which is still pending with the State Bank of India

The Guaranteed Emergency Credit Line facility has been overdrawn by ₹ 100.56 as at 31-03-2021, The company have accepted offer for restructuring through rescheduling of term loan for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021 which is still pending with the State Bank of India

c. Facilities with karur Vysya Bank

All the facilities with Karur Vysya bank (i.e. Cash Credit Facility & Funded Interest Term Loan) are classified as NPA w.e.f. 23rd March 2021 on account of irregularities w.r.t repayment of overdrawn account further Karur Vysya Bank has initiated proceeding u/s 13(2) of SARFAESI Act through notice dated 09th June 2021 directing to pay the entire outstanding amount within 60 days of receipt of notice to which company is in process to submit its reply

d. Loan Outstanding of ICICI Bank – Export Packing Credit

The said facility has been cancelled on 06th March 2020 duly maturing all the FDs lien due to non-compliance with terms & conditions with credit arrangement letter. Accordingly, all the requisite provisions for Interest, Cancellation of Forward Contracts & other charges was already made in last year ended March 2020 and further bank has already called for outstanding balance of ₹ 19.75 lakhs which is outstanding as at 31st March 2021 to which company is in process of complying

- ii. We draw attention to note 23.13. to the accompanying Consolidated financial statements regarding the delays in fulfilling the export obligation of total 758.37 kg Imported raw gold beyond the timelines stipulated under Advance Authorisation obtained from DGFT, The Company is under proceeding for the said matter with Chief Commissioner of Customs.
- iii. We draw attention to note 23.15. to the accompanying Consolidated financial statements regarding the delay in payment of foreign currency against Imports worth ₹ 12,46,933.75, which has been outstanding for more than permissible limits, for which the company has made application to authorized dealer to regularize the same.
- iv. We draw attention to note 23.16. to the accompanying Consolidated Financial Statements regarding the delays in receipt of proceeds denominated in foreign currency against export of goods made by the Company to its overseas customers aggregating to ₹ 14,61,547.13 which have been outstanding for more than permissible limits. The Company is in process of filling necessary applications to authorize dealer/ Reserve Bank of India to regularize the same and further company is regularly following up with the customers to realize the export proceeds at earliest.

Our opinion is not modified in respect of the above matter.



Key Audit Matters

(Rs in 000's except otherwise mentioned specifically)

This section of our auditor's report is intended to describe the matters selected from those communicated with those charged with governance that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion & Emphasis of matter paragraph, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters:

The Key Audit Matter	How our audit addressed the key audit matter
Recognition of Foreign Exchange Gain/Loss	
<p>The company has recorded ₹ 19,275.08 as Net Foreign Exchange gain from Monetary Items during the year. The company is subject to foreign exchange fluctuation risk</p> <p>As detailed in Significant Accounting Policies, described in note J, transactions in foreign currencies are recorded at actual rate on the date of transaction</p> <p>Monetary items denominated in foreign currencies at the end of the period are restated at the exchange rate prevailing at the end of period.</p> <p>Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.</p>	<p>Our Procedures Included:</p> <p>Assessing the effectiveness of the controls relating to the recognition of foreign currency transactions</p> <p>Assessing all the hedging practices for foreign currency exposures through execution / cancellation of Forward Contracts</p> <p>Assessing the adequacy of disclosure in note J of Significant accounting policies & note no 23.11. of other notes with respect to the disclosure requirements as per Financial Reporting Framework</p>

Other matters

(Rs in 000's except otherwise mentioned specifically)

The financial statements of the subsidiary, whose financials information reflects total asset of AED 137.318 as at 31st March, 2021, total revenue of AED 35.66 & net loss AED 22.05 as per statement of profit & loss account as at 31st March 2021 and net cash outflow of AED 5.46 as per Cash Flow as at 31st March, 2021 have not been audited by us and whose reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary to the aforesaid subsidiary is solely based on the reports of the other auditors.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's



Report including Annexures to Board's Report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) Except for the matters stated in basis for qualified opinion paragraph 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) Except for the matters stated in basis for qualified opinion paragraph In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of accounts;



- (d) Except for the matters stated in basis for qualified opinion paragraph In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer to Note 23.12. to the Consolidated financial statements;
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in the paragraph 3 and 4 of the Order.

Date : 30th June, 2021
Place: Mumbai



For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105589W

Rahul P. Nahata
(Partner)
Membership No. 116511
UDIN: 21116511AAAADV7026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Penta Gold Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Penta Gold Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted



accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls system over financial reporting as at 31 March 2021:

The Company's internal controls over financial reporting with respect to the Inventories lying with the third parties which cannot be verified physically were not operating effectively, which could result in a potential material misstatement in the carrying value of inventory, cost of goods sold and its consequential impact on the earnings, reserves and related disclosures in the Consolidated financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Consolidated financial statements will not be prevented or detected on a timely basis

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at 31 March 2021.

Date : 30th June, 2021

Place: Mumbai



For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105589W

Rahul P. Nahata
(Partner)

Membership No. 116511
UDIN: 21116511AAAADV7026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under the heading "Report on other Legal and Regulatory Requirements" of our report on even date to the members of Penta Gold Limited of even date.)

- i. In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and based on the records produced before us, the title deed of immovable properties are held in the name of the company.
- ii. In our opinion except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management from Third Parties. No material discrepancies were noticed on the aforesaid verification.
- iii. According to the information and explanation given to us, the Company has not granted any secured/unsecured loans to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance and Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of activities of the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable except for the following:

Name of the Statute	Nature of the dues	Amount (₹ in 000's)	Period	Due Date	Date of Payment
Income Tax Act, 1961	Income Tax (Including Interest)	₹ 13,613.41	FY 2019-20	15th February 2021	Not paid yet
Income Tax Act, 1961	Income Tax (Including Interest)	₹ 469.16	FY 2018-19	30 th November	Not paid yet



				2019	
Income Tax Act, 1961	TDS	₹ 56.37	April 2020	7 th May 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 66.83	May 2020	7 th June 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 80.69	June 2020	7 th July 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 59.49	July 2020	7 th August 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 57.01	August 2020	7 th September 2020	Not Paid yet
Income Tax Act, 1961	TDS	₹ 114.391	September 2020	7 th October 2020	Not Paid yet

- (b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax and Cess which have not been deposited as on 31st March, 2021 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ in 000's)	Amount Paid under protest	Period	Forum
Income Tax Act, 1961	Income Tax	₹ 1,30,65.48	2613.10	FY 2013-14	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Penalty under Customs	₹ 1,200.00	-	FY 2013-14	Customs Excise and Service Tax Appellate Tribunal

viii.

In our opinion and according to the information and explanations given to us, during the year the company has defaulted in the repayment of Term loan to banks & other financial institutions and Foreign Currency Demand Loan & Cash Credit Facilities from bank has been overdrawn as on 31st March 2021

Lender wise defaults which are outstanding as on 31st March 2021 are mentioned as follows:

(₹ in 000's)

Lenders	Facility type	Nature of Default & Remarks
Axis Bank	Foreign Currency Demand Loan	<ul style="list-style-type: none"> All the said facilities has been classified as NPA as stated in Emphasis of matter para "i.a" above Cumulative Sanctioned Limit for all the facilities is ₹. 2,00,000.00 Whereas outstanding loan as at balance sheet date is ₹. 2,26,522.08 No Interest has been charged by Bank from the month of December 2020 and account has been overdrawn from 01st September 2020 i.e. post moratorium granted by bank in pursuant to guidelines issued by RBI,
	Cash Credit	
	Funded Interest Term Loan	



		<ul style="list-style-type: none"> Amount overdrawn as on 31st March 2021 is ₹. 26,522.08 (which includes currency fluctuation of ₹ 4,723.21).
State Bank of India	Cash Credit Facility	<ul style="list-style-type: none"> The company have opted for restructuring seeking additional limit as stated in Emphasis of matter para "i.b" above Sanctioned Limit for the facility is ₹. 80,000.00 Whereas outstanding loan as at balance sheet date is ₹. 81,010.89 Account has been overdrawn as on 31st March by ₹. 1010.89
	Guaranteed Emergency Credit Line	<ul style="list-style-type: none"> The company have opted for restructuring seeking rescheduling of term loan as disclosed in Emphasis of matter para "i.b" above Sanctioned Limit for the facility is ₹. 16,000.00 Whereas outstanding loan as at balance sheet date is ₹. 16,100.56 Account has been overdrawn as on 31st March by ₹. 100.56
Karur Vysya Bank	Cash Credit Facility	<ul style="list-style-type: none"> All the said facilities has been classified as NPA as stated in Emphasis of matter para "i.c" above Cumulative Sanctioned Limit for all the facilities is ₹.80,000.00 Whereas outstanding loan as at balance sheet date is ₹. 93,787.54 The account has been overdrawn from 01st September 2020 i.e. post moratorium granted by bank in pursuant to guidelines issued by RBI, Amount overdrawn as on 31st March 2021 is ₹.13787.54.
	Funded Interest Term Loan	
ICICI Bank	Export Packing Credit	<ul style="list-style-type: none"> The said facility has been cancelled due to breach of terms & conditions of credit arrangement letter as stated in Emphasis of matter para "i.d" above The complete outstanding balance as at 31st march 2021 of ₹ 1,975.00 is overdrawn since limit has been cancelled
	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.717.5 belonging to period December 2020 to March 2021 (Principal – ₹ 513.40, Interest – ₹ 200.32 & other charges - ₹ 3.78) No payment has been made till date of signing



IIFL Finance Ltd	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.476.07 belonging to period February 2021 to March 2021 (Principal – ₹ 386.21, Interest – ₹ 56.70 & other charges - ₹ 33.16) No payment has been made till date of signing
	Unsecured Guaranteed Emergency Credit Line	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.9.25 belonging to period March 2021 (Interest – ₹ 6.30 & other charges - ₹ 2.95) No payment has been made till date of signing
Capfloat Finance Service Private Limited	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹.774.54 belonging to period January 2021 to March 2021 (Principal – ₹ 728.89, Interest – ₹ 45.48 & other charges - ₹ 0.17) The company have further paid ₹ 239.14 against principal & ₹ 18.99 against interest after balance sheet date on 24th May 2021
Tata Capital Finance Services Limited	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹. 1,021.81 belonging to period April 2020 & September 2020 (Principal – 899.67, Interest – 21.90 & other charges - 100.24) No payment has been made till date of signing
	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was outstanding default in payment of ₹. 981.30 belonging to period December 2020 to March 2021 (Principal – 769.68, Interest – 49.35 & other charges - 162.27) No payment has been made till date of signing
Magma Fincorp Limited	Unsecured Term Loan	<ul style="list-style-type: none"> As at 31st March 2021, there was Outstanding default in payment of ₹. 1,744.11 belonging to period September 2020 to March 2021 (Principal – 1,598.83, Interest – 92.67 & other charges - 52.61) No payment has been made till date of signing



- ix. In our opinion and according to the information and explanation given to us, the Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Consolidated financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers or employees of the company has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in the Nidhi Rules, 2014 and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Consolidated financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Date : 30th June, 2021

Place: Mumbai



For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105589W

Rahul P. Nahata
(Partner)
Membership No. 116511
UDIN: 21116511AAAADV7026

Consolidated Balance Sheet as at 31st March, 2021

Equity & Liabilities	Note	31/03/2021 (₹'000)*	31/03/2020 (₹'000)*
Shareholder's Funds			
Share Capital	1	1,27,250.00	1,27,250.00
Reserves and Surplus	2	2,50,420.21	2,49,672.52
Non Current Liabilities			
Deferred tax liabilities (net)	23.7	10.92	20.17
Long Term Borrowings	3	18,045.61	15,946.34
Current Liabilities			
Short term borrowings	4	11,94,935.96	12,58,580.95
Trade payables	5	26,65,546.83	26,92,122.57
Other current liabilities	6	31,870.20	20,963.24
Short term provisions	7	2,351.16	14,416.47
Total -		42,90,430.88	43,78,972.27
Assets			
Non Current Assets			
Fixed assets - Tangible	8	7,103.74	7,881.11
Long-term loans and advances	9	213.63	201.00
Non-current investments	10	0.00	-
Current Assets			
Inventories	11	26,22,869.05	27,01,944.04
Trade receivables	12	16,15,214.30	15,05,006.17
Cash & cash equivalents	13	29,615.83	1,44,562.62
Short-term loans and advances	14	10,143.76	11,402.28
Other current assets	15	5,270.57	7,975.04
Total -		42,90,430.88	43,78,972.27

*Note: Figures of the last year are not comparable since, this is first year of consolidation

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

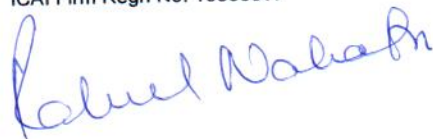
As Per our report of even date

On behalf of Board of Directors of Penta Gold Limited

For RANK & ASSOCIATES

Chartered Accountants

ICAI Firm Regn No. 105589W



Rahul P. Nahata

(Partner)

Membership No. 116511

Mumbai, 30th June, 2021



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Consolidated Statement of Profit & Loss for the year ended 31st March, 2021

Continuing Operations	Note	31/03/2021 (₹'000)*	31/03/2020 (₹'000)*
Income			
Revenue from operations	16	15,31,246.18	55,69,258.44
Other Income	17	23,947.94	1,17,267.70
Total Revenue -		15,55,194.12	56,86,526.14
Expenses			
Cost material consumed	18	14,20,888.77	74,57,807.59
Changes in inventories	19	79,075.00	(19,35,261.42)
Employee benefits expense	20	2,385.82	5,200.26
Finance cost	21	43,726.17	72,089.46
Depreciation	8	907.53	1,004.99
Other expense	22	4,330.07	35,365.44
Total Expense -		15,51,313.36	56,36,206.32
Profit before exceptional/extraordinary items & tax		3,880.76	50,319.82
Exceptional / extraordinary Items			
- Prior Period Items	23.3.	(82.73)	782.71
Profit before tax		3,798.04	51,102.53
Tax expense			
Current tax expense		1,368.62	13,996.83
Deferred tax	23.7.	(9.25)	(102.01)
Short / (-) Excess Provisions of earlier years		1,696.71	(1,141.58)
Profit for the period from continuing operations (A)		741.96	38,349.28
Discontinuing operations (B)			
Profit for the period (A + B)		741.96	38,349.28
Earning Per Share - Basic (₹)	23.5	0.06	3.01
Earning Per Share - Diluted (₹)		-	-

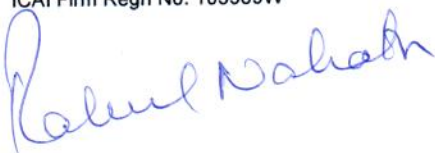
*Note: Figures of the last year are not comparable since, this is first year of consolidation

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

As Per our report of even date

On behalf of Board of Directors of Penta Gold Limited

For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Regn No. 105589W



Rahul P. Nahata
(Partner)
Membership No. 116511
Mumbai, 30th June, 2021



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Consolidated Statement of cash flows for the year ended 31st March, 2021

Particulars	31/03/2021 (₹'000)*	31/03/2020 (₹'000)*
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) after Tax as per Statement of P & L	741.96	38,349.28
Adjustments for:		
Current Taxation	3,065.33	12,855.25
Deferred Taxation	(9.25)	(102.01)
Net Profit / (Loss) before Tax and Extraordinary items	3,798.04	51,102.53
Adjustments for:		
Depreciation	907.53	1,004.99
Interest Expenses	43,099.11	64,077.88
Unrealized Foreign exchange loss / (Gain)	(19,273.21)	(20,265.20)
Interest Income	(1,831.79)	(20,900.29)
Operating Profit before working capital changes	26,699.67	75,019.91
Adjustments for:		
(Increase) / Decrease in Inventories	79,075.00	(19,35,261.42)
(Increase) / Decrease in Trade Receivables	(95,652.40)	(10,72,110.58)
(Increase) / Decrease in Short Term Loans and Advances	1,258.52	3,734.72
(Increase) / Decrease in Other Current Assets	2,704.47	(1,624.98)
(Increase) / Decrease in Long Term Loans and Advances	(12.63)	380.00
(Increase) / Decrease in Non-current investments	-	-
Increase / (Decrease) in Trade Payables	(26,575.75)	23,51,648.92
Increase / (Decrease) in Other Current Liabilities	10,906.96	8,989.53
Increase / (Decrease) in Short term Provisions	(14,968.85)	1,094.77
Increase / (Decrease) in Short term Borrowings	(58,921.78)	5,93,885.01
Increase / (Decrease) in Long term Borrowings	2,099.27	15,946.34
Cash generated from / (used in) operating activities	(73,387.52)	41,702.22
Direct Taxes (paid) / refund	(161.79)	(18,995.33)
Cash flow before Extraordinary items	(73,549.30)	22,706.88
Extra Ordinary Item	82.73	(782.71)
Net Cash generated from / (used in) operating activities	(73,466.58)	21,924.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital WIP	(130.17)	(48.09)
Interest received & Other Income	1,749.06	21,683.00
Net cash used in investing activities	1,618.90	21,634.91
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds / (Repayment) of Short term borrowings	(43,099.11)	(64,077.88)
Interest paid	(43,099.11)	(64,077.88)
Net cash generated from financing activities	(1,14,946.79)	(20,518.79)
Net increase in cash and cash equivalents (A+B+C)	(1,44,562.62)	1,65,081.42
Cash and cash equivalents at the beginning of the period	29,615.83	1,44,562.62
Cash and cash equivalents at the end of the period		

Note : Above Cash Flow Statement is prepared as per Indirect Method prescribed in Accounting Standard - 3

*Figures of the last year are not comparable since, this is first year of consolidation

As Per our report of even date

On behalf of Board of Directors of Penta Gold Limited

For RANK & ASSOCIATES
Chartered Accountants
ICAI Firm Regn No. 105589W



Rahul P. Nahata
(Partner)
Membership No. 116511

Mumbai, 30th June, 2021



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Significant Accounting Policies for the Consolidated Financial Statement period**ended on 31st March, 2021 (A to P...)****A. Basis of preparation of Consolidated Financial Statements:****(a) Principles of Consolidation**

The Consolidated Financial Statements relate to Penta Gold Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements"
- In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- The difference between the cost of investment in the subsidiaries and joint ventures, and the Company's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of :
 - a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
 - b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence
- Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- Investment in associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements"
- The company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account, to the extent such change is



attributable to the associates' profit and loss account and through its reserves for the balance based on available information.

- The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2021.
- Accounting Policies:-

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

B. Revenue Recognition:

- (a) Revenue is recognized net of GST and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.
- (b) Interest on fixed deposits with bank is accounted on accrual basis. Revenue is generally recognised on accrual basis.

C. Fixed Assets and Depreciation:

- (a) The fixed assets are shown at their cost of acquisition including any attributable costs. None of the fixed assets have been revalued during the period.
- (b) The management has physically verified the fixed assets during the period and no material discrepancies have been noticed on such verification.
- (c) Depreciation is provided on pro-rata basis on the period of usage of the assets. Depreciation is provided on written down value basis at the rates prescribed under Schedule II to the Companies Act, 2013.
- (d) In accordance with AS 28, where there is an indication of impairment of the Company's asset the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets is estimated, as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account or against revaluation surplus where applicable.
- (e) Obsolete assets available for disposal are removed from the fixed assets register and appropriate amount is provided for realizable scrap

D. Investments:

- (a) Current investments are valued at the lower of cost and fair value as at the Balance Sheet date.



- (b) Non-Current investments are carried at cost. However, when there is a decline, other than temporary, in the value of the long-term investment, the carrying amount is reduced to recognize the decline.

E. Inventories:

- (a) The closing inventories of raw materials are valued at lower of cost (inclusive of all costs attributable) and net realisable value on FIFO basis. Raw materials held for use in the production of finished goods are not written down below cost in cases where the finished goods are expected to be sold at or above cost.
- (b) The closing inventories of finished goods and trading goods are valued at lower of cost (inclusive of all costs attributable) and market value on FIFO basis.

F. Retirement Benefits:

The management is of the opinion that no provisions for employees retirement benefits are required to be made.

G. Prior Period Items:

The Company follows the accrual system of accounting barring the effects and outcome of the provision for expenses which is made on the basis of the materiality concept and wherever ascertainable and treatment of certain items on receipt basis, as stated earlier.

H. Expenses:

Certain payments like the use of mobile phones, vehicles, club memberships, subscriptions to certain agencies/institutions, travelling etc., incurred by the directors and/or family members, are being provided to the directors, as the size and nature of business necessitates the use of these facilities, and are wholly for the purpose and business of the Company. The management confirms the propriety of these expenses/payments and of the debits given to the respective account heads.

I. Borrowing Costs:

Generally the borrowing costs attributable to acquisition and construction of assets are capitalized as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account.

J. Foreign Currency Transactions:

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the end of the period are restated at the exchange rate prevailing at the end of period.



- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

K. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

L. Hedge Transactions:

- (a) The Company in accordance with its risk management policies and procedures enters into currency option and commodity option forward contracts to manage its exposure in commodity and currency rates by way of hedging.
- (b) These contracts are for a period between one day and three months.
- (c) The commodities futures & currency futures contracts are initially valued at their transaction price and are marked to market on a daily basis. The open derivative contracts as on the balance sheet date are valued at their notional cut off prices.

M. Impairment of Assets:

An asset is treated as impaired when the carrying cost of an asset exceeds its realizable or recoverable value. An impairment loss (if any), is charged to the statement of profit and loss of the period in which any asset is identified as impaired. During the period none of the assets were identified by the management as impaired.

N. Tax Expense

- (a) Current Tax – Tax expense for the period, comprising of current tax (including MAT) and deferred tax are charged to the profits for the period. Current tax is measured at the amount expected to be paid to the revenue authorities in accordance with the prevailing tax laws. Minimum alternate tax (MAT) paid is recognised as an asset as it shall accrue future benefit in the form of a set off against current tax expense.
- (b) Deferred Tax – Pursuant to AS 22 - "Accounting for Taxes on Income", the Company computes the deferred tax arising on account of temporary timing differences between the taxable income and accounting income that originates in one period and is capable of being reversed in one or more subsequent periods, using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. The net deferred tax liability (DTL) is charged to the profits, whereas a deferred tax asset (DTA) is recognised and carried forward only to the extent there is a reasonable certainty of future taxable profits to realize such DTA.



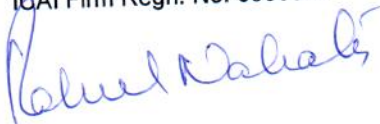
O. Contingent Liability & Subsequent Events:

All disputed and/or contingent liabilities are either provided for or disclosed as such, on the basis of mutual acceptances or depending on the management's perception of its potential outcome. The management has taken adequate steps to provide sufficiently for all known, anticipated or contingent liabilities. Events occurring after the balance sheet date up to the date of adoption of the financial statements, having a material bearing are considered while preparing the financial statements.

P. Segment Reporting:

The Company is primarily engaged in only segment of Gold Jewellery & Diamond which comprises of studded gold Jewellery and plain gold Jewellery Cut polished and rough diamonds, this represents a primary segment. The secondary segmental reporting is on the basis of the geographical location of its customers.

For RANK & Associates
Chartered Accountants
ICAI Firm Regn. No. 05589W



Rahul P. Nahata
(Partner)
Membership No. 116511

Mumbai, 30th June, 2021

On behalf of the Board of Directors of Penta Gold Limited



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)



Notes to the Consolidated Balance Sheet

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
1. Share Capital			
a. <u>Authorised</u> 1,50,00,000 Equity shares of ₹ 10/- each		1,50,000.00	1,50,000.00
b. <u>Issued, Subscribed & Paid-up</u> 1,27,25,000 equity shares of ₹ 10/- each issued, subscribed & fully paid-up		1,27,250.00	1,27,250.00
c. <u>Terms of Issue</u> The Company has only one class of equity shares of par value ₹ 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.			
d. <u>Shareholding of more than 5%</u>	No. of Shares	9110980	9110980
i. Ketan M. Shroff	% Holding	71.60%	71.60%
e. <u>Reconciliation of shares</u>		12,725.00	12,725.00
i. Equity shares at the beginning of the year		-	-
ii. Add: Shares issued during the year		12,725.00	12,725.00
iii. Equity shares outstanding at the end of the year			
2. Reserves & Surplus			
a. <u>Statement of Profit & Loss</u>		1,52,472.52	1,14,123.23
Opening balance			
Additions		741.96	38,349.28
Net Profit after tax of the period			
Appropriations		-	-
Transferred to Capital Redemption Reserve for Bonus Issue		1,53,214.48	1,52,472.52
Closing balance			
b. <u>Securities Premium Account</u>		97,200.00	97,200.00
Opening balance		-	-
Additions		-	-
Appropriations		-	-
Transferred to Capital Redemption Reserve for Bonus Issue		97,200.00	97,200.00
Closing balance			
c. <u>Foreign Currency Translation Reserve</u>		-	-
Opening balance			
Additions		5.72	-
Foreign Currency Translation Reserve of the period		-	-
Appropriations		5.72	-
Closing balance			
		2,50,420.21	2,49,672.52
3. Long Term Borrowings			
a. <u>Secured</u> Secured loan from Financial Institutions (refer Note 23.10.) (secured against personal guarantee of the directors and mortgage of immovable property of Director)		14,821.89	12,170.03
b. <u>Unsecured</u> Unsecured loans from Banks and Financial Institutions		3,223.72	3,776.31
		18,045.61	15,946.34
4. Short Term Borrowings			
a. <u>Secured Loans Repayable on Demand</u>		4,19,396.09	4,83,186.33
i. Overdraft / cash credit from Banks (refer Note 23.10.) (secured against inventories, book debts in addition to personal guarantee of the directors and mortgage of immovable property of relative of Director's)			
b. <u>Unsecured Borrowings</u>			
i. - <u>From related parties</u> (refer Note 23.6.) Unsecured loans from directors & relatives		7,61,177.11	7,57,900.34
ii. - <u>From Others</u> Unsecured loans from Banks and Financial Institutions		2,955.02	6,086.55
Unsecured loans from other corporates		11,407.74	11,407.74
(Net-off TDS receivable from NBFC's)		11,94,935.96	12,58,580.95



Notes to the Consolidated Balance Sheet

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
5. Trade Payables		26,50,558.07	26,88,311.27
a.	Trade Payables (refer Note 23.8. & 23.15.)	14,988.76	3,811.31
b.	Trade advances	26,65,546.83	26,92,122.57
6. Other Current Liabilities		874.09	860.76
a.	Statutory dues	533.45	807.60
b.	Sitting fees payable to directors	8,928.70	9,012.77
c.	Sundry creditors for expenses (refer Note 23.8.)	469.16	469.16
d.	Income Tax payable (2018-19)	13,613.41	-
e.	Income Tax payable (2019-20)	-	-
f.	<u>Current maturities of long term debt</u>		
i. Secured		933.43	677.52
	Secured loan from Financial Institutions (refer Note 23.10.) (12 monthly installments secured against personal guarantee of the directors and mortgage of immovable property of Director)		
ii. Unsecured		1,432.51	5,725.58
	Unsecured loans from Banks and Financial Institutions (12 monthly installments) (Net-off TDS receivable from NBFC's)	-	1,878.98
g.	Interest accrued on overdraft facility	4,885.29	643.90
h.	Loan installments payable to Banks and Financial Institutions	200.15	886.98
i.	Salaries Payable	31,870.20	20,963.24
7. Short Term Provisions		1,191.12	11,916.71
a.	Provision for income tax [Current year] [Net of Tax Paid ₹ 161.79] (Previous years ₹ 2080.12)	1,160.04	2,499.76
b.	Provision for other expenses	2,351.16	14,416.47
9. Long-term loans and advances			
	<u>Deposits (Unsecured, considered good)</u>	-	-
a.	With government bodies	213.63	201.00
b.	Others	213.63	201.00
10. Non-current investments			
	<u>Investments in Equity Instruments</u>	-	-
11. Inventories (certified by management) (also refer 23.10, 23.13. & 23.14.)			
a. Jewellery		6,22,993.17	5,41,302.29
i.	Raw material	3,53,811.22	4,48,288.95
ii.	Stock in process	16,46,064.65	16,45,610.30
iii.	Finished goods	-	-
b. Bullion		-	66,742.50
i.	Gold Bullion	26,22,869.05	27,01,944.04
12. Trade Receivables (unsecured, considered good) (refer note 23.16.)		1,33,082.60	14,83,702.04
a.	Outstanding for less than six months	14,82,131.69	21,304.13
b.	Outstanding for more than six months	16,15,214.30	15,05,006.17



Notes to the Consolidated Balance Sheet

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
13.	Cash & Cash Equivalents (certified by the management)		
	<u>Cash & Cash Equivalents (refer Note 23.10.)</u>	1,879.53	2,552.16
a.	Balances with banks in current account	13.30	50.70
b.	Cash on hand		
	<u>Other Bank balances (refer Note 23.10.)</u>	5,750.02	5,445.71
a.	Fixed deposits with Axis Bank Ltd. (these deposits are under lien against bank OD/CC facilities/Gold Metal Loan/FCDL)	21,972.98	41,181.64
b.	Fixed Deposits with State Bank of India (held as margin money & security deposit against Credit Facility)	-	95,332.42
d.	Fixed Deposits with Bank of Bahrain & Kuwait (held as Security Deposit against Credit facility)		
	Note : Above Fixed Deposit amount includes interest accrued till 31st March, 2021.	29,615.83	1,44,562.62
14.	Short Term Loans & Advances		
	<u>Unsecured, considered good</u>	5,806.96	5,873.76
a.	Advances to suppliers & others	221.76	-
b.	Advance for Application Money (refer note 23.20.)	4,115.04	4,833.66
c.	With government bodies (refer note 23.12.)	-	694.86
d.	Advance for Subsidiary formation	10,143.76	11,402.28
15.	Other Current Assets (Unsecured, considered good)		
		135.00	135.00
a.	Membership	838.65	593.72
b.	Prepaid Expenses	4,190.83	6,961.33
c.	Unutilised GST Credit	-	25.00
d.	Deposit with Stock Exchange	-	10.00
e.	CST Deposits	106.08	249.99
f.	Others	5,270.57	7,975.04



Notes to the Consolidated Statement of Profit & Loss

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
16.	Revenue From Operations		
	<u>Sale of products</u>		
a.	Jewellery	404.01	7,61,404.66
	- Domestic Sales (Net)	-	34,98,519.46
	- Exports Sales	404.01	42,59,924.12
		1,21,513.40	13,02,267.60
b.	Bullion	14,09,328.77	7,066.72
c.	Diamond	15,31,246.18	55,69,258.44
17.	Other Income		
		1,831.79	20,900.29
a.	Interest on Bank Deposits	86.25	192.43
b.	Interest on VAT Refund	19,275.04	95,995.73
c.	Foreign Exchange Fluctuation Gain/(Loss) (refer Note 23.11.)	-	127.69
d.	Duty Drawback	2,754.87	51.57
e.	Others (refer Note 23.6.)	23,947.94	1,17,267.70
18.	Cost of Material Consumed		
		14,20,888.77	74,11,273.15
a.	Purchases (Incl. Import duty)	-	42,234.66
b.	Making / Job Work Charges	-	4,299.78
c.	Import / Export Expenses	14,20,888.77	74,57,807.59
19.	Changes in Inventories (Verified & Certified by Management)		
a.	<u>Jewellery</u>		
	<u>Inventories at the end of the year (also refer 23.10, 23.13. & 23.14.)</u>	6,22,993.17	5,41,302.29
i.	Raw materials	3,53,811.22	4,48,288.95
ii.	Stock in process	16,46,064.65	16,45,610.30
iii.	Finished goods	26,22,869.05	26,35,201.54
	<u>Inventories at the begin of the year</u>	5,41,302.29	6,69,465.35
i.	Raw materials	4,48,288.95	78,716.97
ii.	Stock in process	16,45,610.30	18,500.30
iii.	Finished goods	26,35,201.54	7,66,682.63
	Net increase (-) / decrease in inventories (A)	12,332.50	(18,68,518.92)
b.	<u>Bullion</u>		
i.	Inventories at the end of the year	66,742.50	66,742.50
ii.	Inventories at the begin of the year	66,742.50	(66,742.50)
	Net increase (-) / decrease in inventories (B)	66,742.50	(66,742.50)
	Total Net increase (-) / decrease in inventories (A+B)	79,075.00	(19,35,261.42)
20.	Employee Benefits Expense		
		975.82	2,169.26
a.	Salaries & Welfare	1,410.00	3,031.00
b.	Directors Remuneration (Incl. Sitting fees) (refer note 23.6.)	2,385.82	5,200.26
21.	Finance cost		
		43,099.11	64,077.88
a.	Interest expenses	627.06	8,011.58
b.	Other Borrowing costs	43,726.17	72,089.46



Notes to the Consolidated Statement of Profit & Loss

Note	Particulars	31/03/2021 (₹'000)	31/03/2020 (₹'000)
22.	Other Expenses	841.07	585.00
a.	Audit Fees (refer note 23.9.)	917.11	1,848.35
b.	Bank charges	-	17,143.09
c.	Bad Debts	-	436.86
d.	Discount Given	40.61	242.95
e.	Electricity Charges	263.35	256.10
f.	Insurance Expenses	429.10	351.45
g.	Interest & Late Filing Fees	461.48	0.00
h.	Incorporation Expenses	665.93	1,068.97
i.	Legal & Professional Charges	-	10,075.50
j.	Loss on Hedge	-	65.00
k.	Membership & Subscriptions	98.30	231.66
l.	Miscellaneous Expenses	161.99	132.80
m.	Office Expenses	-	19.70
n.	Printing & Stationery	390.26	2,100.00
o.	Rent	23.50	22.63
p.	Repairs & Maintenance Charges	35.37	71.84
q.	Telephone Charges	2.00	713.55
r.	Travelling Expenses	4,330.07	35,365.44



(₹ 000)

Note 8 - Fixed Assets

Sn	Particulars	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
		As At 01-04-2020	Additions during the Period	Deductions during the Period	As At 31-03-2021	Upto 01-04-2020	For the Period	Deductions during the Period	As At 31-03-2021	As At 31-03-2020
	Tangible Assets -									
1.	Computer & Peripherals	611.25	130.17	-	741.42	564.95	58.06	-	623.01	46.30
2.	Plant & Machinery	1,231.33	-	-	1,231.33	790.80	136.99	-	927.79	440.53
3.	Office Building	14,205.00	-	-	14,205.00	6,810.72	712.48	-	7,523.20	7,394.28
	Current Period Total	16,047.58	130.17	0.00	16,177.75	8,166.47	907.53	-	9,074.00	7,881.11
	Previous Period Total	16.00	0.05	0.00	15,999.49	7,161.48	1,004.99	0.00	8,166.47	8,838.01



Note 23 - General Notes to Consolidated Financial Statement for the period ended on 31st March, 2021

(₹ in 000's except otherwise mentioned specifically)

23.1. The Figures of the last year (wherever applicable) are not comparable. Since, this is first year of preparation of Consolidated Financial Statement.

23.2. Consolidated financial statement are prepared in accordance with AS-21 as specified under section 133 of Companies Act, 2013

The Consolidated Financial Statements (Comprising of Penta Gold Ltd, the holding company and its subsidiary in the name of Penta Overseas FZ-LLC incorporated in UAE under Ras Al Khaimah Economic Zone Authority).

The Parent company have not made capital remittance of AED 1,00,000 (in ₹ 1994.66) towards share capital as on balance sheet date i.e. 31st March 2021, However, since operation of the foreign subsidiary has been started from this financial year, Management has decided to separately present consolidate financial results as on 31st March 2021 along with standalone financial results.

23.3. Prior Period Items:

There were prior period items (net income) of ₹ 82.73 during the year. (Previous year ₹ 782.71)

23.4. Borrowing Costs:

During the period all the assets were acquired in a ready use condition.

23.5. Earnings Per Share:

Disclosure pursuant to Accounting Standard (AS) 20:

SN	Particulars	31/03/2021	31/03/2020
1	Profits available for equity shareholders (Amt. in ₹)	741.96	38,349.28
2	Nominal value of equity shares	10	10
3	Weighted average no. of equity shares outstanding during the period	1,27,25,000	1,27,25,000
4	Basic EPS (Amt. in ₹)	0.06	3.01

23.6. Related Party Transactions:

Disclosure pursuant to AS 18:

SN	Name of the Party	Relationship	Nature of Transaction	31-03-2021 (₹)	31-03-2020 (₹)
a.	Ketan Shroff	Managing Director	Remuneration Paid	12,60.00	25,20.00
			Unsecured Loans received	7,61,177.11*	7,57,900.34*
			Sitting Fees	3.00	3.00



b.	Pinakin Shroff	Director's Brother	Remuneration Paid	-	362.40
			Written back Remuneration payable ^{\$}	59.80	-
c.	Dipti Shroff	Non-Executive Director	Sitting Fees	-	133.00
			Written back Sitting fees payable ^{\$}	318.90	-
d.	Sulochana shroff	Director's Mother	Written back Rent payable ^{\$}	810.00	-
e.	Dilip Patodia	Independent Director	Sitting Fees	76.00	185.00
f.	Anand Chaturvedi	Independent Director	Sitting Fees	71.00	185.00
g.	Ashid Sayyed	Non-Executive Director	Sitting Fees	-	4.50
h.	Rohit Sharma [^]	CFO	Remuneration	-	229.20
			Written back Remuneration payable ^{\$}	342.00	-
i.	Dipika Singh [@]	WTCS	Remuneration	-	169.73
j.	Shimpee Rai [~]	WTCS	Remuneration	235.49	143.49

* Outstanding closing balances unless specified otherwise.
[#] The said loan has been brought in pursuance of the stipulation of lending financial Institution.
[^] Mr. Rohit Sharma Resigned as CFO w.e.f. 16th September 2019
[@] Mrs. Dipika Singh resigned as WTCS w.e.f. 30th September 2019
[~] Ms. Shimpee Rai resigned as WTCS w.e.f. 12th April 2021
^{\$} All the above written back is pursuant to bilateral confirmation with such parties

23.7. **Deferred Tax Balance:**

Disclosure pursuant to AS 22:

SN	Particulars	31-03-2021 (₹)	31-03-2020 (₹)
1.	Deferred Tax Asset –		
	(a.) On Block of Fixed Assets	---	---
	(b.) On Other items	---	---
	Sub Total (A)	---	---
2.	Deferred Tax Liability –		
	(a.) On Block of Fixed Assets	10.92	20.17



(b.) On Other items	---	---
Sub Total (B)	---	---
Net Deferred Tax Liability / (-) Asset (B-A)		

Deferred Tax Charged during the year is (₹ 9.25) (previous year ₹ 102.01)

- 23.8. In As per the section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED Act') the outstanding payable to Micro, Small and Medium Enterprises as defined under the MSMED Act are required to be disclosed in the annual statement of accounts. Henceforth, the amount payable to Micro, Small and Medium Enterprises as on 31 March 2021 is ₹ 5,837.50 and out of which amount due for more than 45 days is ₹ 5,837.50. The reason of delay was due to mutual agreement between the parties with respect to terms of payment.

Further, dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

23.9. **Remuneration to Auditors:**

Audit Fees Includes:

SN	Particulars	31-03-2021 (₹)	31-03-2020 (₹)
1.	Statutory Audit Fees	506.06	400.00
	Total	506.06	400.00

23.10. **Secured Loans**

The total outstanding balance of all Working Capital Facilities at 31st March, 2021 amounted to ₹ 4,35,219.98 (net) from Multiple Banks and Financial Institutions as follows:

S N	Lender s	Nature of facility	Outstanding Balance as at 31 st March, 2021	Security		
				Primary Security	Collateral Security	Guarantee
1.	Axis Bank®	Foreign Currency Demand Loan*	₹ 1,56,968.48	Hypothecation, by way of charge on entire current assets of the company, including stock & book debt (present & future), stocks in transit and also stocks under process with various job workers on paripassu basis	Immovable Properties owned by Director & Fixed Deposit of ₹ 43 Lakhs	Personal guarantee of the Director Mr. Ketan Shroff
		Cash Credit	₹ 62,397.05			
		Funded Interest Term Loan	₹ 7,156.55			



2	State Bank of India	Cash Credit [^]	₹ 81,010.89	Hypothecation, by way of charge on entire current assets of the company, including stock & book debt (present & future), stocks in transit and also stocks under process with various job workers on paripassu basis	Immovable Property owned by Relative of Director & Fixed Deposit of ₹ 2 Crores	Personal guarantee of the Director Mr. Ketan Shroff & Relative of Director Mrs Sulochana Shroff
		Guaranteed Emergency Credit Line ^{\$}	₹ 16,100.56			
3	Karur Vysya Bank*	Cash Credit	₹ 87,300.31	Hypothecation, by way of charge on entire current assets of the company, including stock & book debt (present & future), stocks in transit and also stocks under process with various job workers on paripassu basis	Immovable Property owned by Director and Corporate office of the Company.	Personal guarantee of the Director Mr. Ketan Shroff
		Funded Interest Term Loan	₹ 6,487.23			
4	Shriram Housing Finance	Loan Against Property	₹15,823.91	Immovable Property owned by Mr. Ashid Sayyed (erstwhile director of the company)		Personal guarantee of the Director Mr. Ketan Shroff , Mr. Ashid Hammeed Sayyed (Erstwhile Director) & Relative of Director Mrs Dipti Shroff
5	ICICI Bank~	Export Packing Credit	₹ 1,975.00	NIL	NIL	NIL
The above facilities carry interest ranging from 7% to 14.75% per annum.						
*Includes accumulated currency fluctuation of ₹ 4723.21 on FCDL outstanding as at 31-03-2021.						
@The said facilities are classified as NPA w.e.f. 22 nd December 2020 on account of						



irregularities w.r.t repayment of overdrawn account and further no interest has been debited by axis bank for all the facilities from the month of December 2020, moreover on 09th April 2021 bank has matured FD of ₹ 4320.00 which was given as collateral security against the said facilities at ₹ 5,692.95 (including accrued interest of ₹1,372.95)

[^] The said facility has been overdrawn by ₹ 1010.89 as at 31-03-2021, The company have accepted offer for restructuring through additional limit for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021, which is still pending with the State Bank of India

[§] The said facility has been overdrawn by ₹ 100.56 as at 31-03-2021, The company have accepted offer for restructuring through rescheduling of term loan for the said facility vide letter dated 22nd June 2021 in accordance with RBI guidelines dated 05th May 2021 which is still pending with the State Bank of India

[%] The said facilities are classified as NPA w.e.f. 23rd March 2021 on account of irregularities w.r.t repayment of overdrawn account further Karur Vysya Bank has initiated proceeding u/s 13(2) of SARFAESI Act through notice dated 09th June 2021 directing to pay the entire outstanding amount within 60 days of receipt of notice to which company is in process to submit it's reply

[~] The said facility has been cancelled on 06th March 2020 duly maturing all the FDs lien due to non-compliance with terms & conditions with credit arrangement letter. Accordingly, all the requisite provisions for Interest, Cancellation of Forward Contracts & other charges was already made in last year ended March 2020 and further bank has already called for outstanding balance of ₹ 1,975.00 which is outstanding as at 31st March 2021 to which company is in process of complying

23.11. Foreign Currency Transactions:

- During the period the company has recognized net foreign exchange gain of ₹ 19,275.04/- (previous year ₹ 95,995.73/-)
- Total Short-Term Borrowings includes Foreign Currency loan facility of USD 21,45,374.60 which is restated at the exchange rate prevailing at the end of period.
- Foreign Currency Translation reserve of ₹ 5.72 was created on occasion of restatement of balance sheet of subsidiary entity in reporting currency

23.12. Contingent Liability:

Name of Statute	Nature of dues	Amount of Dispute (31/03/21)	Amount of Dispute (31/3/20)	Amount Deposited up to the date of Approval of Accounts	Period to which it relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	₹ 13065.48	₹ 13065.48	₹ 2613.10*	FY 2013-14	Commissioner of Income Tax (Appeals).



Customs Act, 1962	Penalty under Customs	₹ 1700.00*	₹ 1700.00	---	FY 2013-14	Customs Excise and Service Tax Appellate Tribunal & BOI Bullion Branch
Customs Act, 1962	Basic Custom Duty & IGST	₹2,75,000.00^	---	---	FY 2019-20	Chief Commissioner of Customs
*20% of Total Demand as per CBDT Instruction has been deposited in protest						
^ Also refer Note 21.13						

23.13. Delay in Export Obligation:

For Advance Authorization No 0310827863

The company has Imported 493 kg raw gold against Advance Authorization dated 22.03.2019 without payment of custom duty with obligation to process and export the Jewellery to overseas customers

Amongst above the company has utilized 335.413 kg raw gold & exported to the overseas customers within permissible time however for remaining 157.587 kg raw gold the company was unable to fulfill the obligation within permissible time, duties foregone in the form of Basic Custom Duty & IGST for pending obligation of 157.587 kg is ₹ 63,117.99 The company then had applied for relaxation for the extended period. However, it was not granted.

The company on 15th October 2019 made Application with the Policy Relaxation Committee of DGFT seeking extension of time & Due to the above delay in fulfilling Export Obligation Investigation was carried out by Department of Revenue Intelligence on 26th February 2020 & during the Investigation Gold Jewellery weighing 7.77 kg was seized by the authorities vide seizure memo dated 27th February 2020

For Advance Authorisation No 0310829459

The company have also Imported 971 Kg raw gold of under Advance Authorisation dated 06/06/2019 without payment of custom duty with obligation to process and export the Jewellery to overseas customers

Amongst above the company has utilized 531.43 kg & exported to the overseas customers within permissible time, However for remaining 439.57 kg the company has still not been able to fulfill the obligation and the authorization has been expired as on date, duty foregone in the form of Basic Custom Duty & IGST for pending obligation of 439.57 kg is ₹ 2,47,989.84



For Advance Authorisation No 0310834026

The company have also Imported 177 Kg raw gold of under Advance Authorisation dated 09/01/2020 without payment of custom duty with obligation to process and export the Jewellery to overseas customers

Amongst above the company has utilized 15.78 kg & exported to the overseas customers within permissible time, However for remaining 161.22 kg the company has still not been able to fulfill the obligation and the authorization has been expired as on date, duty foregone in the form of Basic Custom Duty & IGST for pending obligation of 161.22 kg is ₹ 97,100.37

Note - For all the above pending obligations company is in proceeding before Chief Commissioner of Customs, Mumbai wherein they are pleading for relaxation to fulfill the said obligation

23.14. Inventory:

The inventory comprising of raw material and finished goods is physically verified by the management at regular intervals and as at the end of the year. In respect of stock lying with third parties as at the year-end written confirmations has been obtained by the management. The quantity and valuation inventory at the year, end has been certified by the management.

Amongst the entire stock worth 262.28 crores as on 31st March 2021, Inventories worth 259.71 crores were stored with Third party to mitigate safety risk since there was no proper storage facility available ensuring utmost safety.

Inventories costing ₹ 2.56 crores was seized by DRI authorities as explained in note 21.12

23.15. Delay in Payments of Foreign Currency against Imports:

Trade Payables as at 31st March 2021 inter alia, includes outstanding from Import Suppliers aggregating to ₹.12,46,933.75 (USD 17,042.53) which has been outstanding for more than permissible limits, for which the company has made application to authorized dealer to regularize the same.

23.16. Delay in Trade receivable from Export Customer

Trade receivables as at 31 March 2021, inter alia, include outstanding from export customers aggregating to ₹.14,61,547.13 (USD 18,166.11) which have been outstanding for more than permissible limits. The Company is in process of filling necessary applications to authorize dealer/ Reserve Bank of India to regularize the same and further company is regularly following up with the customers to realize the export proceeds at earliest.

23.17. Segment Information:**(a) Business segments**

The management is of the opinion that the Company is primarily engaged in only one business segment of Gold Jewellery & diamonds.

(b) Geographical segments

The customer base of the Companies which are consolidated is divided in domestic and overseas basis of which management has recognized its secondary segmental reporting on the basis of geographical location of its customers.

Period Ended 31st March, 2021	Domestic	Overseas	Total
Revenue*			
Sales to External Customers	15,31,246.18	-	15,31,246.18
Other Segment information			
Segment assets #	1,51,883.86	14,61,547.13	16,13,430.99
Period Ended 31st March, 2020	Domestic	Overseas	Total
Revenue*			
Sales to External Customers	20,70,738.98	34,98,519.46	55,69,258.44
Other Segment information			
Segment assets #	18,809.08	14,86,197.09	15,05,006.17
*denotes Net of Excise Duty; #denotes trade receivables.			
Note: The assets of the Company other than trade receivables for domestic as well as overseas customers are common. Hence, the amounts of fixed and other assets shall be allocated to domestic only.			

23.18. Additional Information:

Additional information to the extent not already reported elsewhere, are specified below

SN	Particulars	31/03/2021	31/03/2020
1	Expenditure in Foreign Exchange	---	---
2	Value of Imports on CIF basis in respect of stock in trade	---	₹ 53,79,579.62 US \$ 7,51,39,465.00 GBP £ 70,715.00
3	Other remittances in foreign exchange	---	---
4	Consumption of imported materials	---	---



5	Earnings in foreign exchange	---	₹ 34,96,767.06
	(FOB Value of exports)		US \$ 28,28,078.11 € 6,69,181.87
6	Amounts set aside/withdrawn from any specific or non-specific reserves	---	---

23.19. The industry as a whole has been adversely impacted due to COVID-19 and consequent lockdown resulting out of it. The Company has faced significant headwinds due to COVID-19 impacting the operations & performance of the Company for the year ended 31 March 2021 has been impacted due to this unprecedented disruption. Any impact in future will largely depend on factors such as overall improvement in Covid situation, customer confidence, etc.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventory, receivable and other current assets. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of consolidated financial statements. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered. However, given the continuing uncertainty on account of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these consolidated financial statements.

23.20. The Holding Company had paid share application money during the year, for acquisition of 51% shares in Rodinia Energy Private Limited. Shares of the same are allotted on 12th April 2021.

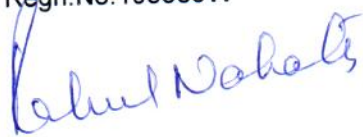
23.21. Previous year figures are regrouped, recast and reclassified wherever necessary. Figures in brackets are pertaining to previous year.

For R A N K & Associates

Chartered Accountants

ICAI Firm

Regn.No.105589W



Rahul P. Nahata

(Partner)

Membership No. 116511

Mumbai 30th June 2021

On behalf of the Board of Directors of Penta Gold Limited



Ketan M. Shroff
(Chairman & Managing Director)
(DIN: 00332988)

