

Vega Industries Australia Pty Ltd

ABN 92626755137

Annual Report - 31 March 2020

Vega Industries Australia Pty Ltd
Directors' report
31 March 2020

The directors present their report, together with the financial statements, on the company for the year ended 31 March 2020.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paryank Shah (Appointed on 12/06/2018)

Steven James Roberts (Appointed 26/03/2020)

Principal activities

During the financial year the principal continuing activity of the company is distribution of steel and alloy casting and related component.

Dividends

No dividends has been declared during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$4,927 (31 March 2019: Loss \$5,500).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 31 March 2020 and up to the date of this report.

Indemnity and insurance of officers

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

During the financial year, the company has not paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Vega Industries Australia Pty Ltd
Directors' report
31 March 2020

Rounding of amounts

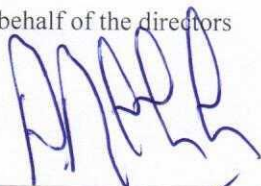
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Paryank Shah
Director

5th June 2020
Sydney

Vega Industries Australia Pty Ltd
Auditor's independence declaration

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Vega Industries Australia Pty Ltd

Contents

31 March 2020

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	16
Independent auditor's report to the members of Vega Industries Australia Pty Ltd	17

General information

The financial statements cover Vega Industries Australia Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Vega Industries Australia Pty Ltd's functional and presentation currency.

Vega Industries Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 16
1 Market Street
SYDNEY NSW 2000

Principal place of business

Level 16
1 Market Street
SYDNEY NSW 2000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 5th June 2020. The directors have the power to amend and reissue the financial statements.

Vega Industries Australia Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2020

	Note	2020 \$	2019 (Un-Audited) \$
Revenue		17,173,936	-
Other income	3	60,255	-
Expenses			
Cost of sales	4	(16,223,773)	-
Transportation expense		(985,509)	(5,500)
Legal and professional charges	4	(18,333)	-
Finance costs		(480)	-
		<hr/>	<hr/>
Profit/(Loss) before income tax expense		6,096	(5,500)
Income tax expense		(1,169)	-
		<hr/>	<hr/>
Profit/(Loss) after income tax expense for the year attributable to the owners of Vega Industries Australia Pty Ltd		4,927	(5,500)
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income/(loss) for the year attributable to the owners of Vega Industries Australia Pty Ltd		<u>4,927</u>	<u>(5,500)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Vega Industries Australia Pty Ltd
Statement of financial position
As at 31 March 2020

	Note	2020 \$	2019 (Un-Audited) \$
Assets			
Current assets			
Cash and cash equivalents	5	1,017,005	100
Trade and other receivables	6	6,706,235	-
Inventories	7	13,783,304	-
Total current assets		<u>21,506,544</u>	<u>100</u>
Total assets		<u>21,506,544</u>	<u>100</u>
Liabilities			
Current liabilities			
Trade and other payables	8	21,505,848	5,500
Income tax provision		1,169	-
Total current liabilities		<u>21,507,017</u>	<u>-</u>
Total liabilities		<u>21,507,017</u>	<u>5,500</u>
Net assets		<u>(473)</u>	<u>(5,400)</u>
Equity			
Issued capital	9	100	100
Retained profits	10	(573)	(5,500)
Total equity		<u>(473)</u>	<u>(5,400)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Vega Industries Australia Pty Ltd
Statement of changes in equity
For the year ended 31 March 2020

	Issued capital \$	Retained Profits \$	Total equity \$
Balance at 12 June 2018	-	-	-
Profit after income tax expense for the period (Un-audited)	-	(5,500)	(5,500)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the year	-	(5,500)	(5,500)
<i>Transactions with owners</i>			
Issuance of shares	100	-	100
Balance at 31 March 2019	<u>100</u>	<u>(5,500)</u>	<u>(5,400)</u>

	Issued Capital \$	Retained Profits \$	Total equity \$
Balance at 1 April 2019	100	(5,500)	(5,400)
Profit after income tax expense for the year	-	4,927	4,927
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(4,927)	(4,927)
Balance at 31 March 2020	<u>100</u>	<u>(573)</u>	<u>(473)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Vega Industries Australia Pty Ltd
Statement of cash flows
For the year ended 31 March 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,467,701	-
Payments to suppliers and employees (inclusive of GST)		(9,540,486)	-
		927,215	-
Interest received		99	-
Interest and other finance costs paid		(480)	-
Net cash from operating activities	14	926,834	-
Cash flows from financing activities			
Issuance of shares		-	100
Net cash generated from financing activities		-	100
Net increase in cash and cash equivalents		926,834	100
Effects of changes in exchange rate		90,071	-
Cash and cash equivalents at the beginning of the financial year		100	-
Cash and cash equivalents at the end of the financial year	5	1,017,005	100

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Vega Industries Australia Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Vega Industries Australia Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Vega Industries Australia Pty Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the 1st day of the month of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 1. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services, if any, is recognised over time as the services are rendered based on either a fixed price.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 60 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'Weighted average' basis. Cost comprises of direct materials and delivery costs. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 to 90 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Note 1. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 March 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current tax provisions in the period in which such determination is made.

	2020 \$	2019 \$
Note 3. Other income		
Foreign exchange gain	60,156	-
Interest income	99	-
	<u>60,255</u>	<u>-</u>
Note 4. Expenses		
Profit before income tax includes the following specific expenses:		
Cost of sales	<u>16,223,773</u>	-
Transportation expense	<u>985,509</u>	-
Professional and legal charges	<u>18,333</u>	<u>5,500</u>
Finance Cost	<u>480</u>	<u>-</u>

Vega Industries Australia Pty Ltd
Notes to the financial statements
31 March 2020

	2020 \$	2019 \$		
Note 5. Cash and cash equivalents				
Cash on hand	-	-		
Cash at bank	1,017,005	100		
	<u>1,017,005</u>	<u>100</u>		
Note 6. Trade and other receivables				
Trade receivables	6,706,235	-		
Less: Allowance for expected credit losses	-	-		
	<u>6,706,235</u>	<u>-</u>		
Note 7. Inventories				
Semi-Finished goods	13,315,004	-		
Expense on inventory	468,300	-		
	<u>13,783,304</u>	<u>-</u>		
Note 8. Trade and other payables				
Payable to Vega Industries Middle East	21,113,774	-		
Other payables	389,074	5,500		
	<u>21,505,848</u>	<u>5,500</u>		
Note 9. Issued capital				
	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares - fully paid	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

100% shares are owned by the Vega Industries Middle East.

Vega Industries Australia Pty Ltd
Notes to the financial statements
31 March 2020

	2020 \$	2019 \$
Note 10. Retained earnings		
Retained profits at the beginning of the financial year	(5,500)	-
Profit/(Loss) after income tax expense for the year	4,927	(5,500)
Dividends paid	-	-
	<u>-</u>	<u>-</u>
Retained profits/(Loss) at the end of the financial year	<u>(573)</u>	<u>(5,500)</u>

Note 11. Remuneration of auditors

During the financial year the following fee was payable for services provided by Elderton Audit Pty Ltd , the auditor of the company:

<i>Audit services – Elderton Audit Pty Ltd</i>	
Audit of the financial statements	<u>8,000</u>

Note 12. Commitments and Contingent liabilities

There are no known commitment or contingent liabilities of the company not disclosed and there are no legal, administrative or other proceedings pending that would materially affect its financial statements. (Nil:2019).

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 14. Reconciliation of profit after income tax to net cash from operating activities

	2020 \$	2019 \$
Profit after income tax expense for the year	4,927	(5,500)
Adjustments for:		
Exchange gain	(90,071)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(6,706,235)	-
Increase in inventories	(13,783,303)	-
Increase/(decrease) in trade and other payables	21,500,347	5,500
Increase in provision for income tax	1,169	-
	<u>926,834</u>	<u>-</u>
Net cash from operating activities	<u>926,834</u>	<u>-</u>

Note 15. Controlling party

The parent company is Vega Industries Middle East FZC, incorporated in United Arab Emirates. The parent company owns 100% shares of the Company. The ultimate controlling party is AIA Engineering Limited, incorporated in India.

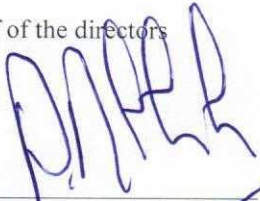
Vega Industries Australia Pty Ltd
Directors' declaration
31 March 2020

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Vega Industries Australia Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paryank Shah
Director

5th June 2020
Sydney

Vega Industries Australia Pty Ltd
Independent auditor's report to the members of Vega Industries Australia Pty Ltd

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Vega Industries Australia Pty Ltd
Independent auditor's report to the members of Vega Industries Australia Pty Ltd

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