

AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of PNP **Agrotech Private Limited**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of PNP Agrotech Private Limited (“the company”), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, 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 March 31, 2020, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing (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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

NIL

Our opinion is not modified in respect of these matters.

Emphasis of Matters

We draw attention to the following matters in the notes to the financial statements:

NIL

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

SMITHA SAILESH
Chartered Accountant
M. No.: 104984

Place: Bangalore
Date: 10/06/2020

Annexure- A to Auditors Report

Re: PNP Agrotech Private Ltd.

Referred to in paragraph 3 and 4 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) As explained to us, all the 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 assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) a) The inventory has been physically verified during the year by the management at reasonable intervals.
- b) The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in books of accounts.
- (iii) According to information and explanations given to us, the company has not granted any loans secured or unsecured to / from companies, firms or other parties covered In the register maintained u/s 189 of the Companies Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the order is not applicable to the Company.
- (vi) According to information and explanations given to us, the Central government has not prescribed for the maintenance of cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance and GST. We are informed that the Customs duty and Excise duty are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, customs duty, sales tax, excise duty and cess, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not Defaulted in the repayment of loans borrowed from banks. The company has not taken any loan from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the company has not paid or provided any managerial remuneration.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

SMITHA SAILESH
Chartered Accountant
M. No.: 104984

Place: Bangalore
Date:10/06/2020

PNP AGROTECH PRIVATE LIMITED
Balance Sheet for the year ended 31st Mar 2020

Particulars	Note No.	Amount in Rs.	
		31-Mar-20	31-Mar-19
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	1	9,51,75,453	9,83,62,348
(b) Capital work-in-progress	1	8,63,431	16,05,948
(c) Goodwill			
(d) Investment Property			
(e) Other Intangible assets			
(f) Intangible assets under development			
(g) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Loans			
(iv) Others	2	3,65,170	3,65,170
(h) Deferred tax assets (net)			
(i) Income Tax Assets (Net)	3	1,46,692	2,43,850
(j) Other non-current assets			
Total Non - Current Assets		9,65,50,746	10,05,77,316
2 Current assets			
(a) Inventories	4	5,55,013	5,79,158
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	5	10,21,278	19,68,266
(iii) Cash and cash equivalents	6	1,99,73,525	2,01,15,704
(iv) Loans			
(v) Others (to be specified)			
(c) Other current assets	7	-	-
Total Current Assets		2,15,49,817	2,26,63,128
Total Assets (1+2)		11,81,00,563	12,32,40,444
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	8	9,32,52,400	9,32,52,400
(b) Other Equity	9	(7,04,15,790)	(5,54,51,805)
Equity attributable to owners of the Company (I)		2,28,36,610	3,78,00,595
Non-controlling interests (II)			
Total equity (I+II)		2,28,36,610	3,78,00,595
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	1,13,30,322	1,68,10,562
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)			
(b) Provisions	11	8,56,331	6,20,745
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities			
Total Non - Current Liabilities		1,21,86,653	1,74,31,307
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	7,44,81,620	6,05,03,942
(ii) Trade payables	13	32,53,364	31,37,028
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)	14	49,92,471	40,54,382
(b) Provisions	15	67,391	56,589
(c) Current Tax Liabilities (Net)			
(d) Other current liabilities	16	2,82,453	2,56,600
Total Current Liabilities		8,30,77,299	6,80,08,541
Liabilities associated with assets held for sale			
Total Equity and Liabilities (1+2+3)		11,81,00,563	12,32,40,444
See accompanying notes to the financial statements	23		

In terms of our report of even date.

For and on behalf of the Board of Directors

SMITHA SAILESH
 CHARTERED ACCOUNTANTS
 Mem. No.: 104984

Vandana Patil
 Director
 DIN : 588888

Naresh Patil
 Director
 DIN : 881077

Place : BANGALORE
 Date :10.06.2020

PNP AGROTECH PRIVATE LIMITED				
Profit and Loss for the Year Ended 31st Mar 2020		For the Year Ended	For the Year Ended	
Particulars	Note No.	Amount in Rs		
		Mar 31,2020	March 31, 2019	
Continuing Operations				
I	Revenue from operations	17	1,90,43,339	1,76,11,476
II	Other Income	18	15,46,989	12,76,665
III	Total Revenue (I + II)		2,05,90,328	1,88,88,141
IV	EXPENSES			
	(a) Cost of Materials consumed	19	40,17,384	37,77,100
	(b) Changes in inventory of Finished Goods/WIP	19	9,31,790	8,31,281
	(c) Employee benefit expense	20	39,21,969	34,14,863
	(d) Finance costs	21	94,55,933	91,75,780
	(e) Depreciation and amortisation expense	1	42,26,992	53,70,220
	(f) Other expenses	22	1,30,00,245	1,21,65,046
	Total Expenses (IV)		3,55,54,312	3,47,34,291
V	Share of profit / (loss) of joint ventures and associates			
	-1 Share of profit / (loss) of joint ventures and associated			
VI	Profit/(loss) before tax (VII - VIII)		(1,49,63,985)	(1,58,46,150)
VII	Tax Expense			
	-1 Current tax			
	-2 Deferred tax			
	-3 Short / (Excess) provision for tax relating to prior years			
	Total tax expense			
VIII	Profit/(loss) after tax from continuing operations (IX - X)		(1,49,63,985)	(1,58,46,150)
IX	Discontinued Operations			
	-1 Profit/(loss) from discontinued operations			
	-2 Tax Expense of discontinued operations			
	Profit/(loss) after tax from discontinued operations			
X	Profit/(loss) for the period (VIII + IX)		(1,49,63,985)	(1,58,46,150)
XI	Other comprehensive income			
	A (i) Items that will not be recycled to profit or loss (a) Remeasurements of the defined benefit liabilities / (asset) (b) Others (specify nature)			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that may be reclassified to profit or loss			

	(a) Exchange differences in translating the financial statements of foreign operations		
	(b) Others (specify nature)		
	(ii) Income tax on items that may be reclassified to profit or loss		
XII	Total comprehensive income for the period (XV + XVIII)	(1,49,63,985)	(1,58,46,150)
XIII	Earnings per equity share :		
	-1 Basic	(1.60)	(1.70)
	-2 Diluted	(1.60)	(1.70)

In terms of our report of even date.

For and on behalf of the Board of Directors

SMITHA SAILESH
CHARTERED ACCOUNTANTS
Mem. No:-104984

Vandana Patil
Director
DIN:588888

Naresh Patil
Director
DIN:881077

Place : BANGALORE
Date : 10.06.2020

PNP AGROTECH PRIVATE LIMITED		
Cash Flow Statement for the year ended 31st Mar 2020		
Cash Flow Statement	Year Ended	
	31st Mar 2020	31st Mar 2019
A Cash Flow from Operating Activities		
Net Profit Before Tax	(1,49,63,985)	(1,58,46,150)
Adjustments for:		
Depreciation and Amortization Expense	42,26,992	53,70,220
Finance Costs	94,55,933	91,75,780
Interest & Dividend received on Investments	-	-
Share of profit from Firms and LLP	-	-
Loss on sale of Fixed assets	-	-
Expense on employee stock option scheme	-	-
Provision for non-current investments no longer required	-	-
Sundry Balances Written back	-	-
(Profit) / loss on sale of Current Investments	-	-
	1,36,82,925	1,45,46,000
Operating Profit before working capital changes	(12,81,060)	(13,00,150)
(Increase)/Decrease in Inventories	24,145	(86,394)
(Increase)/Decrease in Trade receivables	9,46,988	(6,61,170)
(Increase)/Decrease in Financial assets - Loans	-	-
(Increase)/Decrease in Financial assets - Others	-	-
(Increase)/Decrease in Other current assets	-	-
(Increase)/Decrease in Other non-current assets	97,158	(1,36,691)
(Increase)/Decrease in Restricted Cash Balances (e.g. Dividend A/c)	-	-
Increase/(Decrease) in Long-term provisions	2,35,586	1,59,435
Increase/(Decrease) in Trade payables	1,16,336	(1,03,465)
Increase/(Decrease) in Other financial liabilities - Non current	-	-
Increase/(Decrease) in Other non-current liabilities	-	-
Increase/(Decrease) in Other financial liabilities - Current	9,38,089	10,16,402
Increase/(Decrease) in Other current liabilities	25,853	(1,16,733)
Increase/(Decrease) in Short-term provisions	10,802	14,221
	23,94,956	85,605
Cash Generated from Operations	11,13,897	(12,14,544)
Income Tax Refund / (Paid) (net)	-	-
Net Cash Flow from / (used in) Operating Activities (A)	11,13,897	(12,14,544)
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(2,97,580)	(19,50,073)
Proceeds from Sale of Property, Plant and Equipment	-	-
Purchase of Current Investments	-	-
Sale of Current Investments	-	-
Dividend Income from Related Parties (refer note XX)	-	-
Investment in Associate and Subsidiaries (refer note XX)	-	-
Advance towards Investments	-	-
Inter Corporate Deposits given	-	-
Fixed Deposit / Margin Money Realized	-	-
Fixed Deposit / Margin Money Placed	-	-
Interest Received	-	-
Net Cash Flow from / (used in) Investing Activities (B)	(2,97,580)	(19,50,073)
C Cash Flow from Financing Activities		
Repayment of long-term / short term borrowings	(54,80,240)	(51,33,557)
Proceed from long-term / short term borrowings	1,39,77,678	2,04,84,278
Net increase / decrease in working capital borrowings	-	-
Capital contribution/(withdrawal) by Minority	-	-
Dividend & Tax on dividend paid	(94,55,933)	(91,75,780)
Finance cost paid	(9,58,495)	61,74,941
Net Cash Flow from / (used in) Financing Activities (C)	(1,42,178)	30,10,325
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(1,42,178)	30,10,325
Cash and Cash Equivalents (Opening balance)	2,01,15,704	1,71,05,379
Cash and Cash Equivalents (refer note XX) at the end of the	1,99,73,525	2,01,15,704
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,42,178)	30,10,325

We have verified the above Cash Flow Statement of PNP AGROTECH Private Limited for the period ended March 31, 2020 prepared by the company and certify that the statement has been derived from the accounts of the company audited by us.

As Per Our Audit Report Even Date

SMITHA SAILESH

Chartered Accountants

Mem. No.: 104984

Place: Bangalore

Date : 10.06.2020

For and on behalf of the Board of Directors

Vandana Patil

Director

DIN : 588888

Naresh Patil

Director

DIN : 881077

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

PNP Agrotech Private Limited (“the Company”) is a Company registered under the Companies Act, 1956. It was incorporated on 14.09.2011. The Company is primarily engaged in business of floriculture.

1.1 SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance:

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

B. Basis of Preparation of Financial Statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

C. Use of Estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

D. Inventories:

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, if any. Cost includes all changes in bringing the goods to the point of sale.

E. Fixed Assets

Fixed assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on Fixed Asset is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013

The estimated useful lives and residual values of the Fixed Assets and Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

For transition to Ind AS, the Company has elected to continue with the carrying value of all the Fixed Assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital Work - In –Progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

F. Miscellaneous Expenditure:

Preliminary expenses have been written off in the year in which they were incurred.

G. Revenue Recognition :

Sales of goods are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

H. Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing is determined using the projected unit credit method for which actuarial valuations are being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or a credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions on future contributions to the plans.

A liability for a termination benefit is recognized either when the entity can no longer withdraw the offer of the termination benefit or when the entity recognizes any related restructuring costs, whichever is earlier.

Short-term and other long-term employee benefits: -

A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

I. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

J. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive

K. Current and Deferred Taxes

Current Tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively by the end of the reporting period.

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

L. Impairment:

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Property, Plant & Equipment and Intangible assets (PPE&IA)

At each Balance Sheet date, the Company reviews the carrying amounts of its PPE&IA to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the Statement of Profit and Loss as and when they arise.

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) and are

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities and Contingent assets are not recognised in the financial statements.

N. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

O. Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument

Financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at FVTPL are stated at fair value, with gains and losses arising on remeasurement recognized in profit and loss account.

PNP Agrotech Private Limited

Notes to the financial statements for the year ended March 31, 2020

1.2 Statement of Cash flows

The statement of Cash Flows is prepared in accordance with Ind AS 7 (*Statement of Cash Flows*) notified the Companies (Indian Accounting Standards) (Amendment) Rules, 2017, amending Ind AS 7.

PNP AGROTECH PRIVATE LIMITED

Depreciation Schedule as per Companies Act

Note-1

Fixed Assets-Tangible

Amount in Rs.

S.No.	Particulars	Life of Asset considered (No.of. Years)	Gross Block			Depreciation			Amount in Rs.		
			Balance As on 01.04.2019	Additions 01.04.2019 to 31.03.2020	Deletions 01.04.2019 to 31.03.2020	Balance As on 31.03.2020	Balance As on 01.04.2019	Depreciation for the FY 19-20	Balance As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
1	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	1,14,97,112	5,52,750	-	1,20,49,862	9,23,449	4,03,002	13,26,450	1,07,23,412	1,05,73,663
2	BUILDINGS(TUBE WELLS)	5	9,58,965	-	-	9,58,965	8,34,639	72,925	9,07,564	51,401	1,24,326
3	COMPUTERS AND DATA PROCESSING UNITS [NESD]	3	34,560	26,300	-	60,860	34,560	6,677	41,237	19,623	-
4	ELECTRICAL INSTALLATIONS AND EQUIPMENT [NESD]	10	12,02,113	-	-	12,02,113	5,61,207	1,20,541	6,81,747	5,20,366	6,40,906
5	FURNITURE AND FITTING [NESD]	10	3,09,148	-	-	3,09,148	1,54,250	30,585	1,84,836	1,24,312	1,54,898
6	LABORATORY EQUIPMENT [NESD]	10	33,242	-	-	33,242	18,186	3,402	21,588	11,654	15,056
7	PLANT AND MACHINERY (GENERAL RATE)	15	4,03,39,989	4,61,047	-	4,08,01,036	1,31,34,199	27,23,926	1,58,58,125	2,49,42,911	2,72,05,790
8	PLANT AND MACHINERY ***	5	1,02,98,373	-	-	1,02,98,373	61,48,079	8,65,935	70,14,014	32,84,359	41,50,293
9	Land & Development	-	5,54,97,416	-	-	5,54,97,416	-	-	-	5,54,97,416	5,54,97,416
	GRAND TOTAL		12,01,70,918	10,40,097	-	12,12,11,015	2,18,08,569	42,26,993	2,60,35,562	9,51,75,453	9,83,62,348

NOTE:- PLANT AND MACHINERY *** THESE ASSETS HAS A USEFUL LIFE OF A PERIOD 5 YEARS, IT NEEDS A REPLACEMENT AFTER SUCH PERIOD. HENCE, LIFE CONSIDERED WAS LESS THAN AS INDICATED IN PART C OF SCHEDULE-II OF COMPANIES ACT-2013.

CAPITAL WORK IN PROGRESS

	TYPE OF ASSETS	Gross Block as on 01.04.2019	Additions from 01.04.2019 to 31.03.2020	Other Expenses apportioned	Deletions	Transfer to Assets as on 30.06.2019	Transfer to Assets as on 30.09.2019	Transfer to Assets as on 31.03.2020	Closing balance as on 31.03.2020
1	PEB Building -CWIP	4,89,236	84,675	-	-	-	-	-	5,73,911
2	JCB HIRE CHARGES	1,15,100	-	-	-	-	-	-	1,15,100
3	Labour charges -PEB Building	72,920	1,01,500	-	-	-	-	-	1,74,420
4	Tractor Hire Charges	58,300	-	-	-	58,300	-	-	-
5	Pre cooling unit	4,88,500	-	-	-	4,88,500	-	-	-
6	Green House Ph-1	2,02,292	-	-	-	2,02,292	-	-	-
7	Labour charges -Pre Cooling Unit	40,250	-	-	-	40,250	-	-	-
8	Labour Charges for Green house -1	58,250	-	-	-	58,250	-	-	-
9	JCB HIRE CHARGES for Green House	58,100	-	-	-	58,100	-	-	-
10	Tractor Hire Charges for Green House	23,000	-	-	-	23,000	-	-	-
	TOTAL	16,05,948	1,86,175	-	-	9,28,692	-	-	8,63,431

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 2 - Others Non current Financial Assets

Particulars	Amount Rs.	Amount Rs.
	Mar 31,2020	March 31, 2019
	Non- Current	Non-Current
Financial assets at amortised cost		
a) Security Deposits		
- Secured, considered good		
- Unsecured, considered good	3,65,170	3,65,170
- Doubtful		
Less : Allowance for bad and doubtful deposits		
TOTAL	3,65,170	3,65,170
b) Current Account in LLP/Firm		
c) Fixed deposit more than 12 months		
d) Operating lease receivables		
Less: Allowance for Credit Losses		
e) Bills of exchange		
f) Advances to directors or other officers that are in nature of financial asset		
g) Maintenance Charges recoverable		
Total Financial assets at amortised cost	3,65,170	3,65,170
Financial assets at fair value		
a) Derivatives financial instruments designated and effective as hedging instruments carried at fair value		
- Foreign currency forward contracts		
- Foreign currency swaps		
- Interest rate swaps		
- Options		
b) Other* Financial Instruments carried at FVTPL:		
- Held for trading trading derivatives carried at FVTPL		
- Non-Derivative financial assets designated as FVTPL		
- Held for trading non-derivative financial assets		
c) Other* Financial assets carried as FVTOCI:		
- item 1		
Total Financial assets at fair value		
TOTAL	3,65,170	3,65,170

Notes to the Financial Statements for the year ended 31st Mar 2020
Note 3- Income Tax

Particulars	Amount Rs.	Amount in Rs.
	Mar 31,2020	Mar 31,2019
Current Tax Asset:	146692	2,43,850
Others		
Total	1,46,692	2,43,850

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 4- Inventories

Particulars	Amount Rs.	Amount Rs.
	Mar 31,2020	Mar 31,2019
(a) Finished and semi-finished goods	1,08,963	29,982
(b) Raw materials	4,46,050	5,49,176
Total Inventories at the lower of cost and net realisable value	5,55,013	5,79,158

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 5 - Trade receivables

Particulars	Amount Rs.	Amount in Rs.
	Mar 31,2020	Mar 31,2019
	Current	Current
Trade receivables outstanding for a period of more than 6 months		
(a) Secured, considered good		
(b) Unsecured, considered good	53,750	72,476
(c) Doubtful	4,43,205	4,43,205
Less: Allowance for Credit Losses	(4,43,205)	(4,43,205)
Other Trade receivables		
(a) Secured, considered good		
(b) Unsecured, considered good	9,67,528	18,95,790
(c) Doubtful		
Less: Allowance for Credit Losses		
TOTAL	10,21,278	19,68,266

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 6 - Cash and Bank Balances**

Particulars	Amount Rs.	Amount in Rs.
	Mar 31,2020	Mar 31,2019
Current Cash and bank balances		
(a) Balances with banks		
- In current accounts	7,27,802	21,96,390
- In deposit accounts		
(b) Cheques, drafts on hand		
(c) Cash in hand	55,779	28,048
(d) Other Bank Balances		
1) Balances held as margin money or security against borrowings, guarantees and other commitments	1,91,89,944	1,78,91,266
2) Earmarked accounts - unpaid dividend accounts		
Total Cash and cash equivalent	1,99,73,525	2,01,15,704

Reconciliation of Cash and Cash Equivalents

Particulars	Mar 31,2020	March 31, 2019
Total Cash and Cash Equivalents	1,99,73,525	2,01,15,704
Add: Non current Cash and bank balances		
Add: Current Restricted cash and bank balances		
Total Cash and Bank Balance	1,99,73,525	2,01,15,704

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 7- Other current assets**

Particulars	Amount Rs.	Amount in Rs.
	Mar 31,2020	Mar 31,2019
(a) Advances to suppliers		
(b) Advances to suppliers - Capital expenses		
(c) Advances to related parties		
(d) Advances to employees		
(e) Balances with government authorities (other than income taxes)		
(f) Prepayments		
(g) Unamortised expenses		
(i) Ancillary borrowing costs		
(ii) Discount on shares (where applicable)		
(h) Others - SouthIndia Floriculture		
(i) Insurance claims		
(ii) Receivables on sale of fixed assets		
(iii) Advance given to India Advantage Fund III		
(iv) Electricity Deposit		
(V) Rent Deposit		
(Vi) Advances for Expenses		
(vii) South India Floriculture association		
(viii) Balances with government authorities		
(i) Provision for TDS Receivable		
TOTAL	-	-

Notes Notes to the Financial Statements for the year ended 31st Mar 2020
Note 8 - Equity Share Capital

Particulars	Amount in Rs.		Amount in Rs.	
	31-Mar-20		Mar 31,2019	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Authorised: Equity shares of Rs. 10 each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed and Fully Paid: Equity shares of Rs. 10 each with voting rights	93,25,240	9,32,52,400	93,25,240	9,32,52,400
Total	93,25,240	9,32,52,400	93,25,240	9,32,52,400

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 10 - Non Current Borrowings

Particulars	Amount Rs.	Amount In Rupees
	Mar 31,2020	31-Mar-19
Measured at amortised cost*		
A. Secured Borrowings:		
(a) Bonds / Debentures		
1) Non-convertible Bonds / Debentures / Preference Shares		
2) Other Convertible Bonds / Debentures / Preference Shares#		
(b) Term Loans		
-1 From Banks	1,13,30,322	1,68,10,562
-2 From Financial Institutions & Others		
(c) Deferred payment liabilities		
(d) Deposits		
(e) Long term maturities of Finance Lease Obligations		
(f) Liability component of compound financial instruments		
(g) Other Loans		
1) Commercial Papers		
2) Inter-corporate Deposits		
3) Redeemable preference share capital		
4) Transferred Receivables		
5) Other Loans		
(i) Loans from Government		
(ii) Other Loans - Vehicle loan		
(h) Loans from related parties companies		
1) Inter-corporate Deposits		
2) Finance lease obligations		
3) Redeemable preference share capital		
4) Other Loans		
Total Secured Borrowings	1,13,30,322	1,68,10,562
B. Unsecured Borrowings - at amortised Cost		
(a) Bonds / Debentures		
1) Non-convertible Bonds / Debentures / Preference Shares		
2) Other Convertible Bonds / Debentures / Preference Shares#		
(b) Term Loans		
-1 From Banks		
-2 From Financial Institutions & Others		
(c) Deferred payment liabilities		
(d) Deposits		
(e) Long term maturities of Finance Lease Obligations		
(f) Liability component of compound financial instruments		
(g) Other Loans		
1) Commercial Papers		
2) Inter-corporate Deposits		
3) Redeemable preference share capital		
4) Transferred Receivables		
5) Other Loans		
(i) Loans from Government		
(ii) Other Loans - Vehicle loan		
(h) Loans from related parties companies		
1) Inter-corporate Deposits		
2) Finance lease obligations		
3) Redeemable preference share capital		
4) Other Loans		
Total Unsecured Borrowings		
Total Borrowings carried at Amortised Cost	1,13,30,322	1,68,10,562
Measured at FVTPL		
1) Bonds / Debentures		
2) Term Loans		
Total Borrowings carried at FVTPL		
Total Borrowings	1,13,30,322	1,68,10,562

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 11 - Non Current Provisions**

Particulars		Amount Rs.	Amount In Rupees
		Mar 31,2020	March 31, 2019
		Non- Current	Non- Current
(a)	Provision for employee benefits		
	(i) Provision for compensated absences [Leave Encashment]	4,44,099	2,88,032
	(ii) Gratuity	4,12,232	3,32,713
(b)	Other Provisions		
	(i) Warranty		-
	(ii) Onerous contracts		-
	(iii) Other Provisions		-
Total Provisions		8,56,331	6,20,745

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 12 - Current Borrowings**

Particulars	Amount Rs.	Amount In Rupees
	Mar 31,2020	March 31, 2019
A. Unsecured Borrowings - at Amortised cost:		
(a) Loans repayable on demand		
-1 From Banks		
- Working Capital Demand Loans		
- Cash Credit / Packing Credits		
- Overdraft facility		
- Others		
-2 from other parties		
(b) Loans from related parties	7,44,81,620	6,05,03,942
(c) Deposits		
(d) Other Loans		
- Commercial Papers		
- Inter-corporate Deposits		
- Other Loans		
Total Unsecured Borrowings	7,44,81,620	6,05,03,942
Total Current Borrowings	7,44,81,620	6,05,03,942

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 13 - Current Trade Payables**

Particulars	Amount Rs.	Amount In Rupees
	Mar 31,2020	March 31, 2019
	Current	Current
i) Creditors for supplies / services	17,49,721	18,30,507
ii) Creditors for accrued wages and salaries		-
iii) Other Out standing Expenses	12,19,039	11,76,595
iii) Acceptances		
iv) Professional Charges Payable	57,026	35,426
v) Statutory & Tax Audit Fees Payable	1,65,240	94,500
vi) Salary Payable	62,338	
Total trade payables*	32,53,364	31,37,028

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 14 - Other Financial Liabilities**

Particulars	Amount Rs.	Amount In Rupees
	Mar 31,2020	March 31, 2019
A. Secured Borrowings - at Amortised cost:		
(a) Loans repayable on demand		
-1 From Banks		
- Working Capital Demand Loans		
- Cash Credit / Packing Credits		
- Overdraft facility		
- Others	49,92,471	40,54,382
-2 from other parties		
(b) Loans from related parties		
(c) Deposits		
(d) Other Loans		
- Commercial Papers		
- Inter-corporate Deposits		
- Other Loans		
Total Secured Borrowings	49,92,471	40,54,382

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 15 - Current Provisions**

Particulars	Amount Rs.	Amount In Rupees
	Mar 31,2020	March 31, 2019
(a) Provision for employee benefits		
(i) Leave Encashment & Gratuity	67,391	56,589
(b) Other Provisions		
i) Warranty claims	-	-
ii) Onerous contracts	-	-
iii) Other Provisions		
Total Provisions	67,391	56,589

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 16 - Other Current Liabilities

Particulars	Amount in Rs.			Amount in Rs.		
	31-Mar-20			March 31, 2019		
	Current	Non- Current	Total	Current	Non- Current	Total
a. Advances received from customers	-	-	-	-	-	-
b. Deferred Revenue	-	-	-	-	-	-
- Deferred Revenue arising from Customer Loyalty program	-	-	-	-	-	-
- Deferred Government grant related to assets	-	-	-	-	-	-
- Other Deferred Revenues	-	-	-	-	-	-
c. Others	-	-	-	-	-	-
- Lease Incentives	-	-	-	-	-	-
- Employee Recoveries and Employer Contributions	32,240	-	32,240	32,544	-	32,544
- Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty etc.)	2,49,013	-	2,49,013	2,23,056	-	2,23,056
- Professional Tax Payable	1,200	-	1,200	1,000	-	1,000
	-	-	-	-	-	-
Total Other Liabilities	2,82,453	-	2,82,453	2,56,600	-	2,56,600

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 17 - Revenue from Operations**

The following is an analysis of the company's revenue for the year from continuing operations.

Particulars	Amount Rs.	Amount in Rs.
	Mar 31,2020	March 31, 2019
(a) Sales of cut Flowers	1,90,43,339	1,76,11,476
(b) Sale of land		
(c) Rental income	-	-
(d) Project Management Fees	-	-
(e) Other Operating Revenues -		
- Profit from Partnership Firms (Net)	-	-
- Profit from LLPs (Net)	-	-
- Compensation for Surrender of Right	-	-
- Modification & Extra Work Receipts	-	-
- Sale of Services	-	-
Total Revenue from Operations	1,90,43,339	1,76,11,476

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 18 - Other Income

Particulars	Amount Rs.	Amount in Rs.
	Mar 31,2020	March 31, 2019
(a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss:		
-1 On Bank deposits (at amortised cost)	14,45,369	12,13,318
-2 On Subsidy		
-3 Other Financial assets carried at amortised cost		
-4 Interest on Income tax Ruffund	66,792	-
(b) Dividend Income from		
-1 Current investment		
-2 Equity investments		
(c) Other non-operating income (net of expenses directly attributable to such income)		
-1 Rental income:		
(i) Finance lease contingent rental income		
(ii) Operating lease rental income:		
- Investment property		
- Contingent rental income		
- Royalties		
- Others (aggregate of immaterial items)		
d) Other gains and losses		
-1 Gain/(loss) on disposal of property, plant and equipment		
-2 Gain/(loss) on disposal of debt instruments at FVTOCI		
-3 Cumulative gain/(loss) reclassified from equity on disposal of debt instruments at FVTOCI		
-4 Net foreign exchange gain/(losses)	34,828	63,347
-5 Gain arising on effective settlement of legal claim		
-6 Net gain/(loss) arising on financial assets designated as at FVTPL		
-7 Net gain/(loss) arising on financial Liabilities designated as at FVTPL		
-8 Net gain/(loss) arising on financial assets mandatorily measured at FVTPL		
-9 Net gain/(loss) arising on held for trading financial liabilities		
-10 Hedge ineffectiveness on cash flow hedges		
-11 Hedge ineffectiveness on net investment hedges		
-12 Gain recognised on disposal of interest in former associates		
-13 Net gain/(loss) arising on derecognition of financial assets measured at amortised cost		
-14 Sundry Balances Written Back		
-15 Guarentee premium income		
-16 Miscellaneous Income		-
Total Other Income	15,46,989	12,76,665

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 19 - Cost of materials consumed

Particulars	Sl. No.	Amount Rs.	Amount in Rs.
		Mar 31,2020	March 31, 2019
(a) Opening stock		5,49,176	4,59,831
i)Chemicals		2,03,327	1,97,225
ii)Fertilizers		1,65,178	1,05,238
iii)Packing Materials		1,80,671	1,57,369
	(A)	5,49,176	4,59,831
(b) Add: Purchases during the year		39,14,258	38,66,446
i)Chemicals		10,99,680	11,21,187
ii)Fertilizers		19,46,010	15,36,632
iii)Packing Materials		8,68,568	10,61,626
iv)Farm Yard Manure		-	1,47,000
	(B)	39,14,258	38,66,446
(c) Less : Closing stock		4,46,050	5,49,176
i)Chemicals		1,80,837	2,03,327
ii)Fertilizers		58,492	1,65,178
iii)Packing Materials		2,06,721	1,80,671
	(C)	4,46,050	5,49,176
Cost of materials consumed	(A+B-C)	40,17,384	37,77,100

Note 18 B - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Mar 31,2020	March 31, 2019
(a) Inventories at the beginning of the year:		
Finished goods	29,982	32,933
Work-in-progress		
Stock-in-trade		-
	29,982	32,933
(b) Add: Purchases during the year		
Stock-in-trade : Cut Flowers	10,10,771	8,28,330
(C) Less : Inventories at the end of the Quarter:		
Finished goods	1,08,963	29,982
Work-in-progress		
Stock-in-trade : Cut Flowers		-
	1,08,963	29,982
Net (increase) / decrease (a+b+c)	9,31,790	8,31,281

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 20 - Employee Benefits Expense**

Particulars		Amount Rs.	Amount In Rupees
		Mar 31,2020	March 31, 2019
(a)	Salaries and wages, including bonus	33,65,708	29,63,049
(b)	Contribution to provident and other funds	2,82,055	2,78,158
(c)	Gratuity & Leave Encashment Expenses	2,74,206	1,73,656
(d)	Share based payment transactions expenses		
	(1) Equity-settled share-based payments		-
	(2) Cash-settled share-based payments		-
(e)	Staff welfare expenses		-
Total Employee Benefit Expense		39,21,969	34,14,863

Notes to the Financial Statements for the year ended 31st Mar 2020**Note 21 - Finance Cost**

Particulars	Amount Rs.	Amount in Rupees
	Mar 31,2020	March 31, 2019
(a) Interest expense		
(i) Borrowings	19,85,990	22,46,147
(ii) Trade payables		
(iii) Related parties	74,69,943	69,29,633
(iv) Interest on delayed / deferred payment of income tax	-	-
(v) obligation under finance lease - Grand Maratha deposit	-	-
(v) Others - Bank charges	-	-
(b) Dividend on redeemable preference shares	-	-
(c) Exchange differences regarded as an adjustment to borrowing costs	-	-
(d) Other borrowing cost	-	-
Total finance costs	94,55,933	91,75,780

Notes to the Financial Statements for the year ended 31st Mar 2020

Note 22 - Other Expenses

Particulars		
	Mar 31,2020	Mar 31,2019
(a) Electricity Expenses	7,90,951	4,98,050
(b) Generator Expenses	1,25,704	2,25,994
(c) Petrol Sprayer	11,252	52,124
(d) Labour charges	6,82,295	5,11,373
(e) Production-labour charges	19,99,887	20,12,287
(f) Poly House Maintanance Charges	6,15,115	1,21,461
(g) Repair & maintanance	2,69,616	1,26,762
(h) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	1,06,200	1,06,800
(ii) For Taxation matters		-
(iii) For Company Law matters		-
(iv) For Other services		-
(i) Other expenses		
(1) Distribution Expenses (Diesel Van)		
(2) Transportation charges	5,60,230	5,94,363
(3) Air freight /Shipment Charges	45,30,086	47,29,100
(4) Sundry Debtors Written Off		-
(5) Office and Establishment Expenses	81,500	1,11,103
(6) Travel & conveyance-Domestic	1,60,064	2,40,398
(7) Rates & Taxes		
(i) Registration Fees		-
(ii) ROC filing fees	4,200	-
(iii) Ineligible Taxes	7,84,670	7,87,978
(iv) Membership Fees	5,000	-
(v) Others	29,002	
(8) Professional & Consultancy charges	13,06,200	10,58,700
(9) Security Charges	8,46,000	7,70,920
(10) Rent		
(11) Bank charges	75,968	63,019
(12) Tally Renewal Charges		-
(13) Other Expenses	16,304	1,54,614
Total Other Expenses	1,30,00,245	1,21,65,046

PNP AGROTECH PRIVATE LTD: BANGALORE

The Company has prepared these financial statements in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013.

Note:- 22.1 Auditors Remuneration towards

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
For Statutory Audit Fee including fees for quarterly limited	75,600	1,06,800
For Other Services	10,800	21,240
Total	86,400	1,28,040

Note:- 22.2

As per Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standard) Rules 2006 the disclosures of employee benefits as defined in the standard are given below:

Defined Contribution Plan:

The Company's contribution to provident fund and employee state insurance is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan:

The present value of obligation is determined based on actuarial valuation, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company operates post retirement benefit plans as follows:

**DISCLOSURES UNDER IND AS 19 IN RESPECT OF GRATUITY BENEFIT PLAN FOR
THE PERIOD 01 04 2019 to 31 03 2020**

PNP AGROTECH PRIVATE LIMITED

I. ASSUMPTIONS :

	As of 31 03 2020	As of 31 03 2019
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.60%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives of employees (in years)	11.78 *	11.23 *
Retirement Age	60 years	58 years
Withdrawal Rate		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Company based on their past experience and future expectations.

II. TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS :

(All figures in Rupees)

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Present value of obligation as at the beginning of the period	304,871	230,054
Interest Expense	23,170	17,944
Current service cost	66,469	50,864
Remeasurements on obligation - (Gain) / Loss	40,385	6,009
Present value of obligation as at the end of the period	434,895	304,871

III. BREAK UP OF SERVICE COST

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Current Service Cost	66,469	50,864

IV. NET INTEREST (INCOME)/EXPENSE :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Interest (Income) / Expense – Obligation	23,170	17,944
Net interest (Income) / Expense for the year	23,170	17,944

V. REMEASUREMENTS FOR THE YEAR (ACTUARIAL (GAIN) / LOSS)

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Experience (Gain) / Loss on plan liabilities	14,798	1,487
Demographic (Gain) / Loss on plan liabilities	(2,500)	0
Financial (Gain) / Loss on plan liabilities	28,087	4,522

VI. AMOUNTS RECOGNISED IN STATEMENT OF OTHER COMPREHENSIVE INCOME (OCI)

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Opening amount recognised in OCI outside profit and loss account	(13,435)	(19,444)
Remeasurement for the year - obligation (Gain) / Loss	40,385	6,009
Total Remeasurements Cost / (Credit) for the year recognised in OCI	40,385	6,009
Closing amount recognised in OCI outside profit and loss account	26,950	(13,435)

VII. THE AMOUNTS TO BE RECOGNISED IN THE BALANCE SHEET :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Present value of obligation at the end of period	434,895	304,871
Surplus / (Deficit)	(434,895)	(304,871)
Current liability	22,663	16,839
Non-current liability	412,232	288,032
Net asset / (liability) recognised in balance sheet	(434,895)	(304,871)

VIII. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Service Cost	66,469	50,864
Net interest (Income)/ Expense	23,170	17,944
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	89,639	68,808

IX. RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Net asset / (liability) recognised at the beginning of the period	(304,871)	(230,054)
Amount recognised outside profit & loss for the year	(40,385)	(6,009)
Expense recognised at the end of period	(89,639)	(68,808)
Net asset / (liability) recognised at the end of the period	(434,895)	(304,871)

X. AVERAGE DURATION

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 12.59 years.

XI. EXPECTED FUTURE BENEFIT PAYMENTS

The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand (in Rs.)
2021	23,000
2022	26,000
2023	30,000
2024	36,000
2025	44,000
2026 - 2030	541,000

The above cashflows have been arrived at based on the demographic and financial assumptions as mentioned earlier in section 6

XII. EXPECTED CONTRIBUTIONS FOR THE NEXT YEAR

The plan is unfunded as on the valuation date.

XIII. EXPECTED EXPENSE TO BE RECOGNIZED IN PROFIT AND LOSS ACCOUNT FOR NEXT YEAR :

For the period	01 04 2020 to 31 03 2021
Service Cost	83,159
Net Interest Cost	28,791
Expected Expense for next year	111,950

XIV. SENSITIVITY ANALYSIS

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

A) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate	31 03 2020 Present value of obligation (in Rs.)
5.80%	474,560
7.80%	400,236

B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary increment rate	31 03 2020 Present value of obligation (in Rs.)
6.00%	403,765
8.00%	469,697

C) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal rate	31 03 2020 Present value of obligation (in Rs.)
4.00%	435,401
6.00%	434,442

XV. RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

Liability Risks

a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

**DISCLOSURES UNDER IND AS 19 IN RESPECT OF LEAVE ENCASHMENT
PLAN FOR THE PERIOD 01 04 2019 to 31 03 2020**

PNP AGROTECH PRIVATE LIMITED

I. ASSUMPTIONS :

	As of 31 03 2020	As of 31 03 2019
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.60%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives of employees (in years)	11.78 *	11.23 *
Retirement Age	60 years	58 years
Withdrawal Rate		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Company based on their past experience and future expectations.

II. TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS :

(All figures in Rupees)

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Present value of obligation as at the beginning of the period	372,463	273,624
Interest Expense	27,250	21,343
Current service cost	105,535	66,327
Benefits paid	(27,818)	0
Remeasurements on obligation - (Gain) / Loss	11,397	11,169
Present value of obligation as at the end of the period	488,827	372,463

III. BREAK UP OF SERVICE COST

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Current Service Cost	105,535	66,327

IV. NET INTEREST (INCOME)/EXPENSE :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Interest (Income) / Expense – Obligation	27,250	21,343
Net interest (Income) / Expense for the year	27,250	21,343

V. REMEASUREMENTS FOR THE YEAR (ACTUARIAL (GAIN) / LOSS):

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Remeasurement for the year - Obligation (Gain) / Loss	11,397	11,169
Total Remeasurement Cost / (Credit) for the year	11,397	11,169

VI. BREAKUP OF REMEASUREMENTS (ACTUARIAL (GAIN) / LOSS)

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Experience (Gain) / Loss on plan liabilities	(24,290)	6,386
Demographic (Gain) / Loss on plan liabilities	7,952	0
Financial (Gain) / Loss on plan liabilities	27,735	4,783

VII. THE AMOUNTS TO BE RECOGNISED IN THE BALANCE SHEET :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Present value of obligation at the end of period	488,827	372,463
Surplus / (Deficit)	(488,827)	(372,463)
Current liability	44,728	39,750
Non-current liability	444,099	332,713
Net asset / (liability) recognised in balance sheet	(488,827)	(372,463)

VIII. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Current service cost	105,535	66,327
Net interest (Income)/ Expense	27,250	21,343
Remeasurements Cost / (Credit) for the year	11,397	11,169
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	144,182	98,839

IX. RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED :

For the period	01 04 2019 to 31 03 2020	01 04 2018 to 31 03 2019
Net asset / (liability) recognised at the beginning of the period	(372,463)	(273,624)
Benefits directly paid by Company	27,818	0
Expense recognised at the end of period	(144,182)	(98,839)
Net asset / (liability) recognised at the end of the period	(488,827)	(372,463)

X. AVERAGE DURATION

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate, availment rate and interest rate) is 8.61 years.

XI. EXPECTED FUTURE BENEFIT PAYMENTS FOR ENCASHABLE LEAVES

The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year Ending March 31	Expected Benefit Payment rounded to nearest thousand (in Rs.)
2021	22,000
2022	22,000
2023	22,000
2024	23,000
2025	23,000
2026 - 2030	238,000

The above cash flows have been arrived at based on the demographic and financial assumptions (except availment rate) as mentioned earlier in section 5 .

XII. EXPECTED CONTRIBUTIONS FOR THE NEXT YEAR

The plan is unfunded as on the valuation date

XIII. SENSITIVITY ANALYSIS

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

A) Impact of change in Discount rate when base assumption is decreased/increased by 100 basis point

Discount rate	31 03 2020 Present value of obligation (in Rs.)
5.80%	527,686
7.80%	454,574

B) Impact of change in Salary Increase rate when base assumption is decreased/increased by 100 basis point

Salary increment rate	31 03 2020 Present value of obligation (in Rs.)
6.00%	458,618
8.00%	522,344

C) Impact of change in Availment rate when base assumption is decreased/increased by 100 basis point

Availment rate	31 03 2020 Present value of obligation (in Rs.)
2.00%	461,012
4.00%	511,221

XIV. RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

Note:- 22.3**Earnings per Share:**

Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

Particulars

	2019-20	2018-19
	(Rs.)	(Rs.)
1. Loss after taxation considered for calculation		
Of basic/ diluted earnings per share	(1,49,63,985)	(1,58,46,150)
2. Weighted average number of equity shares		
considered for calculation of basic earnings per share	93,25,240	93,25,240
3. Weighted average number of equity shares		
considered for calculation of diluted		
earnings per share	93,25,240	93,25,240
4. Nominal value of equity share (Rs)	10/-	10/-
5. Basic & Diluted Earnings Per Share (Rs)	(1.60)	(1.70)

Note:- 22.4

The Company is primarily engaged in the business of Floriculture and the income is exempt from income tax in view of the same, no deferred tax provision/asset is made/created.

Note:- 22.5**EARNINGS IN FOREIGN EXCHANGE**

Export of Cut Flowers (F.O.B)	31.03.2020	31.03.2019
(Rs.)	(Rs.)	
1. Sales – Cut Flowers : Produced	99,67,661	57,75,864
2. Sales – Cut Flowers : Traded	19,19,210	17,85,259

Note:- 22.6**RELATED PARTY DISCLOSURE:****i. List of related party :**

Kolte Patil Developers Ltd. Holding Company

Key Management Personnel

Naresh Anirudha Patil

Director

ii. Transactions with the related parties :

The Company has the following transactions with the related parties:

	(Rs.) 2019-20		(Rs.) 2018-19	
	Dr.	Cr.	Dr.	Cr.
1. Kolte Patil Developers Ltd.				
Loan Received	6,66,603	65,07,735	NIL	1,35,54,645
Interest payable	NIL	74,69,943	NIL	69,29,633
Balance Payable	NIL	7,43,03,820	NIL	6,03,26,142
2. Naresh Anirudha Patil				
Advances Received	NIL	NIL	NIL	NIL
Balance Payable	NIL	1,77,800	NIL	1,77,800

Note:- 22.7

Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Contingent Liabilities

Rs.

Rs. Nil

Rs. Nil

Note:- 22.8**Impairment of Assets**

In the view of Accounting Standard required by IND AS- 36, "Impairment of Assets" issued by the ICAI, the company has reviewed its fixed assets and does not expect any loss as on 31.03.2020 on account of impairment.

Note:- 22.9

The spread of COVID-19 has severely impacted many local economies around the globe. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

Note:- 22.10

The Company has no outstanding dues to Micro and Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

Note:- 22.11

Previous year's figures have been regrouped, reclassified and rearranged wherever necessary.