

## **AUDITORS' REPORT**

### **INDEPENDENT AUDITOR'S REPORT**

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of PNP Agrotech Private Limited ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement and statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### ***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 including other comprehensive income ,cash flows and changes in equity 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **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.

## **Other Matter**

**NIL**

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Loss, total comprehensive income, its cash Flows and changes in equity for the year ended on that date.

## **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 including other comprehensive income Cash Flow Statement and Statement of Changes in Equity 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, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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.

**For M.S.Reddy & Associates**  
**Chartered Accountants**  
FRN: 007992S

**Date: 24.04.2019**  
**Place: Bangalore**

**M. Sridhar Reddy**  
**Partner**  
Mem.No.201103

## ***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. In our opinion, the provisions of sections 73 to 76 of Companies Act are 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, 2019 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) According to the information and explanations given by the management, the company has not raised any term loans during the year.
- (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.

**For M.S.Reddy & Associates**  
**Chartered Accountants**  
FRN: 007992S

**Date:** 24.04.2019  
**Place:** Bangalore

**M. Sridhar Reddy**  
**Partner**  
Mem.No.201103

**PNP AGROTECH PRIVATE LIMITED**  
Balance Sheet as on Mar 31, 2019

Particulars	Note No.	Amount in Rs.	
		31-Mar-19	31-Mar-18
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	1	9,83,62,348	10,33,88,441
(b) Capital work-in-progress	1	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	2,43,850	1,07,159
(j) Other non-current assets			
<b>Total Non - Current Assets</b>		<b>10,05,77,316</b>	<b>10,38,60,770</b>
<b>2 Current assets</b>			
(a) Inventories	4	5,79,158	4,92,764
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	5	19,68,266	13,07,096
(iii) Cash and cash equivalents	6	2,01,15,704	1,71,05,379
(iv) Loans			
(v) Others (to be specified)			
(c) Other current assets	7	-	-
<b>Total Current Assets</b>		<b>2,26,63,128</b>	<b>1,89,05,239</b>
<b>Total Assets (1+2)</b>		<b>12,32,40,444</b>	<b>12,27,66,011</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	8	9,32,52,400	9,32,52,400
(b) Other Equity	9	(5,54,51,805)	(3,96,05,655)
Equity attributable to owners of the Company (I)		<b>3,78,00,595</b>	<b>5,36,46,745</b>
Non-controlling interests (II)			
<b>Total equity (I+II)</b>		<b>3,78,00,595</b>	<b>5,36,46,745</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	1,68,10,562	2,19,44,118
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)			
(b) Provisions	11	6,20,745	4,61,310
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities			
<b>Total Non - Current Liabilities</b>		<b>1,74,31,307</b>	<b>2,24,05,428</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	6,05,03,942	4,00,19,664
(ii) Trade payables	13	30,07,102	32,40,493
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)	14	40,54,382	30,37,980
(b) Provisions	15	56,589	42,368
(c) Current Tax Liabilities (Net)			
(d) Other current liabilities	16	3,86,526	3,73,333
<b>Total Current Liabilities</b>		<b>6,80,08,541</b>	<b>4,67,13,838</b>
Liabilities associated with assets held for sale			
<b>Total Equity and Liabilities (1+2+3)</b>		<b>12,32,40,444</b>	<b>12,27,66,011</b>
See accompanying notes to the financial statements	23		

In terms of our report of even date.

For M.S.Reddy & Associates  
Chartered Accountants  
FRN : 0079925

For and on behalf of the Board of Directors

Vandana Patil  
Director  
DIN : 588888

Naresh Patil  
Director  
DIN : 5881077

M. Sridhar Reddy  
Partner  
Mem. No. 201103

Place : BANGALORE  
Date : 24.04.2019

**PNP AGROTECH PRIVATE LIMITED**  
**Profit and Loss for the year ended Mar 31, 2019**

Particulars	Note No.	Amount in Rs.	
		March 31, 2019	March 31, 2018
<b>Continuing Operations</b>			
I Revenue from operations	17	1,76,11,476	60,30,967
II Other Income	18	12,76,665	13,69,082
<b>III Total Revenue (I + II)</b>		<b>1,88,88,141</b>	<b>74,00,049</b>
<b>IV EXPENSES</b>			
(a) Cost of Materials consumed	19	37,77,100	27,91,344
(b) Changes in inventory of Finished Goods/WIP	19	8,31,281	6,994
(c) Employee benefit expense	20	34,14,863	32,39,958
(d) Finance costs	21	91,75,780	59,38,017
(e) Depreciation and amortisation expense	1	53,70,220	43,05,752
(f) Other expenses	22	1,21,65,046	46,42,197
<b>Total Expenses (IV)</b>		<b>3,47,34,291</b>	<b>2,09,24,263</b>
<b>V Share of profit / (loss) of joint ventures and associates</b>			
-1 Share of profit / (loss) of joint ventures and associated			
<b>VI Profit/(loss) before tax (VII - VIII)</b>		<b>(1,58,46,150)</b>	<b>(1,35,24,215)</b>
<b>VII Tax Expense</b>			
-1 Current tax			
-2 Deferred tax			
-3 Short / (Excess) provision for tax relating to prior years			
<b>Total tax expense</b>			
<b>VIII Profit/(loss) after tax from continuing operations (IX - X)</b>		<b>(1,58,46,150)</b>	<b>(1,35,24,215)</b>
<b>IX Discontinued Operations</b>			
-1 Profit/(loss) from discontinued operations			
-2 Tax Expense of discontinued operations			
<b>Profit/(loss) after tax from discontinued operations</b>			
<b>X Profit/(loss) for the period (VIII + IX)</b>		<b>(1,58,46,150)</b>	<b>(1,35,24,215)</b>
<b>XI Other comprehensive income</b>			
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			
<b>XII Total comprehensive income for the period (XV + XVIII)</b>		<b>(1,58,46,150)</b>	<b>(1,35,24,215)</b>
<b>XIII Earnings per equity share :</b>			
-1 Basic		(1.70)	(1.45)
-2 Diluted		(1.70)	(1.45)

In terms of our report of even date.  
**For M.S.Reddy & Associates**  
Chartered Accountants  
FRN : 0079925

For and on behalf of the Board of Directors

**M. Sridhar Reddy**  
Partner  
Mem. No.201103

**Vandana Patil**      **Naresh Patil**  
Director              Director  
DIN : 588888      DIN : 5881077

Place : BANGALORE  
Date : 24.04.2019

**PNP AGROTECH PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2019**

Cash Flow Statement for the	Year Ended	
	As at 31 Mar 19	As at 31 Mar 18
<b>A Cash Flow from Operating Activities</b>		
Net Profit Before Tax	(1,58,46,150)	(1,35,24,215)
Adjustments for :		
Depreciation and Amortization Expense	53,70,220	43,05,752
Finance Costs	91,75,780	59,38,017
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	-	-
	1,45,46,000	1,02,43,769
	<b>(13,00,150)</b>	<b>(32,80,446)</b>
Operating Profit before working capital changes		
(Increase)/Decrease in Inventories	(86,394)	1,17,768
(Increase)/Decrease in Trade receivables	(6,61,170)	(7,94,783)
(Increase)/Decrease in Financial assets - Loans	-	-
(Increase)/Decrease in Financial assets - Others	-	-
(Increase)/Decrease in Other current assets	-	2,91,505
(Increase)/Decrease in Other non-current assets	(1,36,691)	44,412
(Increase)/Decrease in Restricted Cash Balances (e.g. Dividend A/c)	-	-
Increase/(Decrease) in Long-term provisions	1,59,435	7,27,140
Increase/(Decrease) in Trade payables	(2,33,391)	(3,03,966)
Increase/(Decrease) in Other financial liabilities - Non current	-	-
Increase/(Decrease) in Other non-current liabilities	-	-
Increase/(Decrease) in Other financial liabilities - Current	-	-
Increase/(Decrease) in Other current liabilities	13,193	92,203
Increase/(Decrease) in Short-term provisions	14,221	21,223
	<b>(9,30,797)</b>	<b>1,95,502</b>
Cash Generated from Operations	<b>(22,30,946)</b>	<b>(30,84,944)</b>
Income Tax Refund / (Paid) (net)	-	-
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>(22,30,946)</b>	<b>(30,84,944)</b>

<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(19,50,073)	(33,83,942)
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	-	-
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(19,50,073)</b>	<b>(33,83,942)</b>
<b>C Cash Flow from Financing Activities</b>		
Repayment of long-term / short term borrowings	(51,33,557)	(30,11,983)
Proceed from long-term / short term borrowings	2,04,84,278	1,65,71,257
Net increase / decrease in working capital borrowings	-	-
Capital contribution/(withdrawal) by Minority	-	-
Dividend & Tax on dividend paid	-	-
Finance cost paid	(91,75,780)	(59,38,017)
<b>Net Cash Flow from / (used in) Financing Activities ( C )</b>	<b>61,74,941</b>	<b>76,21,257</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>19,93,923</b>	<b>11,52,371</b>
<b>Cash and Cash Equivalents (Opening balance)</b>	<b>1,71,05,379</b>	<b>1,59,53,008</b>
<b>Cash and Cash Equivalents (refer note XX) at the end of the</b>	<b>2,01,15,704</b>	<b>1,71,05,379</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>30,10,325</b>	<b>11,52,371</b>

We have verified the above Cash Flow Statement of PNP AGROTECH Private Limited for the period ended March 31, 2019 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  
For M.S.Reddy & Associates  
Chartered Accountants  
FRN : 0079925

M. Sridhar Reddy  
Partner  
Mem. No. 201103

Place: Bangalore  
Date : 24.04.2019

For and on behalf of Board of Directors

**Vandana Patil**                      **Naresh Patil**  
**Director**                              **Director**  
**DIN : 588888**                      **DIN : 5881077**

AS PER COMPANIES ACT-2013 (Schedule-II)-Depreciation Rules											
Amount in Rs.											
S.No.	Particulars	NATURE OF ASSETS	Life of Asset considered (No.of. Years)	Gross Block				Depreciation		Net Block	
				Balance As on 01.04.2018	Additions 01.04.2018 to 31.03.2019	Deletions 01.04.2018 to 31.03.2019	Balance As on 31.03.2019	Depreciation for the FY - 2018-19	Balance As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
1	Land			5,52,15,472			5,52,15,472	-		5,52,15,472	5,52,15,472
2	Furniture & Fixture	FURNITURE AND FITTING [NESD]	10	2,75,199	-	-	2,75,199	27,427	1,35,575	1,39,624	1,67,051
3	Generator	PLANT AND MACHINERY (GENERAL RATE)	15	4,60,912	-	-	4,60,912	30,810	1,83,387	2,77,525	3,08,334
4	computers	COMPUTERS AND DATA PROCESSING UNITS [NESD]	3	34,560	-	-	34,560	-	34,560	-	1
5	Air Conditioner	PLANT AND MACHINERY (GENERAL RATE)	15	10,99,068	-	-	10,99,068	1,25,534	7,41,287	3,57,781	4,83,313
6	Reefer Container	PLANT AND MACHINERY (GENERAL RATE)	15	3,78,614	-	-	3,78,614	25,123	1,37,914	2,40,700	2,65,822
7	Store Room & Security Room	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	2,56,106	-	-	2,56,106	8,560	46,356	2,09,750	2,18,309
8	D.G.Room	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	4,31,173	-	-	4,31,173	14,404	77,727	3,53,446	3,67,849
9	Cold Room	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	91,044	-	-	91,044	2,992	17,582	73,462	76,454
10	Lab Equipments	LABORATORY EQUIPMENT [NESD]	10	33,242	-	-	33,242	3,393	18,186	15,056	18,449
11	Electrical Equipment & transformer	ELECTRICAL INSTALLATIONS AND EQUIPMENT [NESD]	10	12,02,113	-	-	12,02,113	1,20,212	5,61,207	6,40,906	7,61,119
12	RESERVOIR	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	24,29,788	-	-	24,29,788	80,487	83,815	23,45,973	24,26,455
				<b>6,19,07,291</b>	-	-	<b>6,19,07,291</b>	<b>4,38,941</b>	<b>20,37,596</b>	<b>5,98,69,695</b>	<b>6,03,08,628</b>
	<b><u>POLYHOUSE &amp; DRIP IRRIGATION</u></b>										
13	Finger Stand & Flower Trolley	FURNITURE AND FITTING [NESD]	10	33,949	-	-	33,949	3,683	18,676	15,273	18,956
14	Poly House	PLANT AND MACHINERY (GENERAL RATE)	15	1,38,09,789	-	-	1,38,09,789	9,07,723	83,55,107	54,54,682	63,62,403
15	Water Distribution System	PLANT AND MACHINERY (GENERAL RATE)	15	40,25,447	-	-	40,25,447	2,67,271	14,76,677	25,48,770	28,16,040
16	Irrigation Room	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	14,07,154	-	-	14,07,154	47,010	2,53,878	11,53,276	12,00,286
17	Bed Media &Preperation	PLANT AND MACHINERY ***	5	19,95,429	-	-	19,95,429	2,06,642	19,95,429	-	2,06,638
18	Rose Plants	PLANT AND MACHINERY ***	5	26,19,046	2,55,000		28,74,046	3,84,897	19,77,123	8,96,923	10,26,819

19	FARM YARD MENSURE &	PLANT AND MACHINERY ***	5	5,39,561	-	-	5,39,561	55,871	5,39,561	-	55,871
20	LABOUR QUARTERS	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	1,72,262	-	-	1,72,262	5,758	31,204	1,41,058	1,46,816
21	INSECTICIDES & PESTICIDES	PLANT AND MACHINERY ***	5	1,12,698	-	-	1,12,698	11,668	1,12,698	-	11,671
22	LABOUR CHARGES-CULTIVATION	PLANT AND MACHINERY ***	5	2,30,342	-	-	2,30,342	23,850	2,30,342	-	23,853
23	Sprayer	PLANT AND MACHINERY (GENERAL RATE)	15	72,761	-	-	72,761	4,849	21,414	51,347	56,197
				2,50,18,439	2,55,000	-	2,52,73,439	19,19,221	1,50,12,110	1,02,61,329	1,19,25,550
<b>NOTE:</b>											
<b>***</b>	<b>PLANT AND MACHINERY ***</b>	<b>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.</b>									
	<b>IRRIGATION</b>										
24	Borewell	BUILDINGS(TUBE WELLS)	5	4,52,597	-	-	4,52,597	35,047	4,52,597	-	35,047
25	Pump Set	PLANT AND MACHINERY (GENERAL RATE)	15	89,143	-	-	89,143	6,039	31,432	57,711	63,751
26	Sump Tank	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	8,82,435	-	-	8,82,435	29,492	1,59,917	7,22,518	7,52,011
27	Borewell-PHASE 2	BUILDINGS(TUBE WELLS)	5	5,06,368	-	-	5,06,368	1,01,274	3,82,042	1,24,326	2,25,600
				19,30,543	-	-	19,30,543	1,71,853	10,25,988	9,04,555	10,76,409
	<b>POST HARVEST STRUCTURE</b>										
28	PACKING & GRADING HALL	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	1,78,009	-	-	1,78,009	5,950	32,245	1,45,764	1,51,714
29	Packing Machine	PLANT AND MACHINERY (GENERAL RATE)	15	21,824	53,583	-	75,407	1,636	8,356	67,051	15,105
30	Weighing Scale	PLANT AND MACHINERY (GENERAL RATE)	15	10,670	-	-	10,670	708	3,910	6,760	7,469
31	Bed media & Preparation - PH - 2	PLANT AND MACHINERY ***	5	45,10,754	-	-	45,10,754	12,45,115	12,90,519	32,20,235	44,65,350
32	Labour Quarters - Ph-2	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	5,39,250	-	-	5,39,250	17,975	43,386	4,95,864	5,13,839
33	Water Distribution system - Ph - 2	PLANT AND MACHINERY (GENERAL RATE)	15	16,87,838	-	-	16,87,838	1,12,534	2,71,439	14,16,399	15,28,931
34	Poly House - 2	PLANT AND MACHINERY (GENERAL RATE)	15	1,86,30,340	-	-	1,86,30,340	12,83,552	19,03,275	1,67,27,065	1,80,10,620
35	Pre cooling Unit	BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE	30	51,09,891	-	-	51,09,891	1,70,329	1,77,338	49,32,553	51,02,882
36	Weed Cutter	PLANT AND MACHINERY ***	5	-	12,542	-	12,542	2,079	2,079	10,463	-
37	Deleafing machine	PLANT AND MACHINERY ***	5	-	23,000	-	23,000	328	328	22,672	-
		<b>Total</b>		<b>3,06,88,576</b>	<b>89,125</b>	<b>-</b>	<b>3,07,77,701</b>	<b>28,40,206</b>	<b>37,32,875</b>	<b>2,70,44,826</b>	<b>2,97,95,910</b>
	<b>LAND DEVELOPMENT</b>										
36	LAND DEVELOPMENT-FENCING			2,81,944	-	-	2,81,944	-	-	2,81,944	2,81,944
<b>Sub total</b>				<b>2,81,944</b>			<b>2,81,944</b>	<b>-</b>	<b>-</b>	<b>2,81,944</b>	<b>2,81,944</b>

GRAND TOTAL				11,98,26,793	3,44,125	-	12,01,70,918	53,70,220	2,18,08,569	9,83,62,348	10,33,88,441
								2,78,644			
<b><u>CAPITAL WORK IN PROGRESS</u></b>											
	<b><u>TYPE OF ASSETS</u></b>	<b><u>Gross Block as on 01.04.2018</u></b>	<b><u>Additions from 01.04.2018 to 31.03.2019</u></b>	<b><u>Other Expenses apportioned</u></b>	<b><u>Deletions</u></b>	<b><u>Transfer to Assets as on 30.06.2018</u></b>	<b><u>Transfer to Assets as on 30.09.2018</u></b>				
1	PEB Building -CWIP	-	4,89,236	-	-	-	-				
2	JCB HIRE CHARGES		1,15,100								
3	Labour charges -PEB Building		72,920								
4	Tractor Hire Charges		58,300								
5	Pre cooling unit		4,88,500		-						
6	Green House Ph-1		2,02,292								
	Labour charges -Pre Cooling Unit		40,250								
	Labour Charges for Green house - 1		58,250								
	JCB HIRE CHARGES for Green House		58,100								
	Tractor Hire Charges for Green House-1		23,000								
	<b>TOTAL</b>	-	<b>16,05,948</b>	-	-	-	-	-			

# **PNP Agrotech Private Limited**

## **Notes to the financial statements for the year ended March 31, 2019**

### **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, 2019

### 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.

### 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.

# PNP Agrotech Private Limited

## Notes to the financial statements for the year ended March 31, 2019

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.

### **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

# PNP Agrotech Private Limited

## Notes to the financial statements for the year ended March 31, 2019

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.

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.

# PNP Agrotech Private Limited

## Notes to the financial statements for the year ended March 31, 2019

### 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 that 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 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**

# PNP Agrotech Private Limited

## Notes to the financial statements for the year ended March 31, 2019

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.

### 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.

**Notes to the Financial Statements for the Year Ended Mar 31, 2019**

**Note 2 - Others Non current Financial Assets**

Particulars	Amount Rs.	
	March 31, 2019	March 31, 2018
	Non-Current	Non-Current
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits</b>		
- Secured, considered good		
- Unsecured, considered good	3,65,170	3,65,170
- Doubtful		
Less : Allowance for bad and doubtful deposits		
<b>TOTAL</b>	<b>3,65,170</b>	<b>3,65,170</b>
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		
<b>Total Financial assets at amortised cost</b>	<b>3,65,170</b>	<b>3,65,170</b>
<b>Financial assets at fair value</b>		
<b>a) Derivatives financial instruments designated and effective as hedging instruments carried at fair value</b>		
- Foreign currency forward contracts		
- Foreign currency swaps		
- Interest rate swaps		
- Options		
<b>b) Other* Financial Instruments carried at FVTPL:</b>		
- Held for trading trading derivatives carried at FVTPL		
- Non-Derivative financial assets designated as FVTPL		
- Held for trading non-derivative financial assets		
<b>c) Other* Financial assets carried as FVTOCI:</b>		
- item 1		
<b>Total Financial assets at fair value</b>		
<b>TOTAL</b>	<b>3,65,170</b>	<b>3,65,170</b>

**Notes to the Financial Statements for the Year Ended Mar 31, 2019**

**Note 3- Income Tax**

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
Current Tax Asset:	2,43,850	1,07,159
Others		
<b>Total</b>	<b>2,43,850</b>	<b>1,07,159</b>

**Notes to the Financial Statements for the Year Ended March,31st 2019**  
**Note 4- Inventories**

Particulars	Amount Rs.	
	March 31, 2019	March 31, 2018
(a) Finished and semi-finished goods	29,982	32,933
(b) Raw materials	5,49,176	4,59,831
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>5,79,158</b>	<b>4,92,764</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 5 - Trade receivables**

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
	Current	Current
Trade receivables outstanding for a period of more than 6 months		
(a) Secured, considered good		
(b) Unsecured, considered good	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	18,95,790	13,07,096
(c) Doubtful		
Less: Allowance for Credit Losses		
<b>TOTAL</b>	<b>19,68,266</b>	<b>13,07,096</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 6 - Cash and Bank Balances**

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
<b>Current Cash and bank balances</b>		
(a) Balances with banks		
- In current accounts	21,96,390	2,34,836
- In deposit accounts		
(b) Cheques, drafts on hand		
(c) Cash in hand	28,048	55,903
(d) Other Bank Balances		
1) Balances held as margin money or security against borrowings, guarantees and other commitments	1,78,91,266	1,68,14,639
2) Earmarked accounts - unpaid dividend accounts		
<b>Total Cash and cash equivalent</b>	<b>2,01,15,704</b>	<b>1,71,05,379</b>

**Reconciliation of Cash and Cash Equivalents**

Particulars	September 30, 2018	March 31, 2018
	Total Cash and Cash Equivalents	2,01,15,704
Add: Non current Cash and bank balances		
Add: Current Restricted cash and bank balances		
<b>Total Cash and Bank Balance</b>	<b>2,01,15,704</b>	<b>1,71,05,379</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 7- Other current assets**

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
(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		
<b>TOTAL</b>	-	-

Notes Notes to the Financial Statements for the Year Ended March 31, 2019

Note 8 - Equity Share Capital

Particulars	Amount in Rs.			
	31-Mar-19		31-Mar-18	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
<b>Authorised:</b> 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
<b>Issued, Subscribed and Fully Paid:</b> Equity shares of Rs. 10 each with voting rights	93,25,240	9,32,52,400	93,25,240	9,32,52,400
<b>Total</b>	<b>93,25,240</b>	<b>9,32,52,400</b>	<b>93,25,240</b>	<b>9,32,52,400</b>



## Note 10 - Non Current Borrowings

Particulars	Amount In Rupees	
	31-Mar-19	31-Mar-18
<b>Measured at amortised cost*</b>		
<b>A. Secured Borrowings:</b>		
<b>(a) Bonds / Debentures</b>		
1) Non-convertible Bonds / Debentures / Preference Shares		
2) Other Convertible Bonds / Debentures / Preference Shares#		
<b>(b) Term Loans</b>		
-1 From Banks	1,68,10,562	2,19,44,118
-2 From Financial Institutions & Others		
<b>(c) Deferred payment liabilities</b>		
<b>(d) Deposits</b>		
<b>(e) Long term maturities of Finance Lease Obligations</b>		
<b>(f) Liability component of compound financial instruments</b>		
<b>(g) Other Loans</b>		
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		
<b>(h) Loans from related parties companies</b>		
1) Inter-corporate Deposits		
2) Finance lease obligations		
3) Redeemable preference share capital		
4) Other Loans		
<b>Total Secured Borrowings</b>	<b>1,68,10,562</b>	<b>2,19,44,118</b>
<b>B. Unsecured Borrowings - at amortised Cost</b>		
<b>(a) Bonds / Debentures</b>		
1) Non-convertible Bonds / Debentures / Preference Shares		
2) Other Convertible Bonds / Debentures / Preference Shares#		
<b>(b) Term Loans</b>		
-1 From Banks		
-2 From Financial Institutions & Others		
<b>(c) Deferred payment liabilities</b>		
<b>(d) Deposits</b>		
<b>(e) Long term maturities of Finance Lease Obligations</b>		
<b>(f) Liability component of compound financial instruments</b>		
<b>(g) Other Loans</b>		
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		
<b>(h) Loans from related parties companies</b>		
1) Inter-corporate Deposits		
2) Finance lease obligations		
3) Redeemable preference share capital		
4) Other Loans		
<b>Total Unsecured Borrowings</b>		
<b>Total Borrowings carried at Amortised Cost</b>	<b>1,68,10,562</b>	<b>2,19,44,118</b>
<b>Measured at FVTPL</b>		
1) Bonds / Debentures		
2) Term Loans		
<b>Total Borrowings carried at FVTPL</b>		
<b>Total Borrowings</b>	<b>1,68,10,562</b>	<b>2,19,44,118</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 11 - Non Current Provisions**

Particulars	Amount In Rupees	
	March 31, 2019	March 31, 2018
	Non- Current	Non- Current
(a) Provision for employee benefits		
(i) Provision for compensated absences [Leave Encashment]	2,88,032	2,43,924
(ii) Gratuity	3,32,713	2,17,386
(b) Other Provisions		
(i) Warranty	-	-
(ii) Onerous contracts	-	-
(iii) Other Provisions	-	-
<b>Total Provisions</b>	<b>6,20,745</b>	<b>4,61,310</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019**  
**Note 12 - Current Borrowings**

Particulars	Amount In Rupees	
	March 31, 2019	March 31, 2018
<b>A. Unsecured Borrowings - at Amortised cost:</b>		
(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	6,05,03,942	4,00,19,664
(c) Deposits		
(d) Other Loans		
- Commercial Papers		
- Inter-corporate Deposits		
- Other Loans		
<b>Total Unsecured Borrowings</b>	<b>6,05,03,942</b>	<b>4,00,19,664</b>
<b>Total Current Borrowings</b>	<b>6,05,03,942</b>	<b>4,00,19,664</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 13 - Current Trade Payables**

Particulars	Amount In Rupees	
	March 31, 2019	March 31, 2018
	Current	Current
i) Creditors for supplies / services	18,30,507	28,22,829
ii) Creditors for accrued wages and salaries	-	-
iii) Other Out standing Expenses	11,76,595	4,17,664
iii) Acceptances	-	-
<b>Total trade payables*</b>	<b>30,07,102</b>	<b>32,40,493</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019**  
**Note 14 -Other Financial Liabilities**

Particulars	Amount In Rupees	
	March 31, 2019	March 31, 2018
<b>A. Secured Borrowings - at Amortised cost:</b>		
(a) Loans repayable on demand		
-1 From Banks		
- Working Capital Demand Loans		
- Cash Credit / Packing Credits		
- Overdraft facility		
- Others	40,54,382	30,37,980
-2 from other parties		
(b) Loans from related parties		
(c) Deposits		
(d) Other Loans		
- Commercial Papers		
- Inter-corporate Deposits		
- Other Loans		
<b>Total Secured Borrowings</b>	<b>40,54,382</b>	<b>30,37,980</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 15 - Current Provisions**

Particulars	Amount In Rupees	
	December 31, 2018	March 31, 2018
(a) Provision for employee benefits		
(i) Leave Encashment & Gratuity	56,589	42,368
(b) Other Provisions		
i) Warranty claims	-	-
ii) Onerous contracts	-	-
iii) Other Provisions	-	-
<b>Total Provisions</b>	<b>56,589</b>	<b>42,368</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019**

**Note 16 - Other Current Liabilities**

Particulars	Amount in Rs.					
	December 31, 2018			March 31, 2018		
	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	32,544	-	32,544	47,100	-	47,100
- Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty etc.)	2,23,056	-	2,23,056	1,79,367	-	1,79,367
- Professional Tax Payable	1,000	-	1,000	800	-	800
- Professional Charges Payable	35,426	-	35,426	75,866	-	75,866
- Statutory & Tax Audit Fees Payable	94,500	-	94,500	70,200	-	70,200
			-			-
<b>Total Other Liabilities</b>	<b>3,86,526</b>	<b>-</b>	<b>3,86,526</b>	<b>3,73,333</b>	<b>-</b>	<b>3,73,333</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 17 - Revenue from Operations**

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

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
(a) Sales of cut Flowers	1,76,11,476	60,30,967
(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	-	-
<b>Total Revenue from Operations</b>	<b>1,76,11,476</b>	<b>60,30,967</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019**

**Note 18 - Other Income**

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
(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)	12,13,318	13,57,676
-2 On Subsidy		
-3 Other Financial assets carried at amortised cost		
-4 Interest on Income tax Ruffund	-	6,851
(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 FVTOC		
-4 Net foreign exchange gain/(losses)	63,347	4,555
-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		-
<b>Total Other Income</b>	<b>12,76,665</b>	<b>13,69,082</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019**

**Note 19 - Cost of materials consumed**

Particulars	Sl. No.	Amount in Rs.	
		March 31, 2019	March 31, 2018
<b>(a) Opening stock</b>	(A)	<b>4,59,831</b>	<b>5,70,604</b>
i)Chemicals		1,97,225	1,73,738
ii)Fertilizers		1,05,238	2,29,889
iii)Packing Materials		1,57,369	1,66,977
		<b>4,59,831</b>	<b>5,70,604</b>
<b>(b) Add: Purchases during the year</b>	(B)	<b>38,66,446</b>	<b>27,16,025</b>
i)Chemicals		11,21,187	10,52,636
ii)Fertilizers		15,36,632	11,06,049
iii)Packing Materials		10,61,626	5,57,340
iv)Farm Yard Manure		1,47,000	
	<b>38,66,446</b>	<b>27,16,025</b>	
<b>(c) Less : Closing stock</b>	(C)	<b>5,49,176</b>	<b>4,59,831</b>
i)Chemicals		2,03,327	1,97,225
ii)Fertilizers		1,65,178	1,05,238
iii)Packing Materials		1,80,671	1,57,368
iv)Roses		-	
	<b>5,49,176</b>	<b>4,59,831</b>	
<b>Cost of materials consumed</b>	<b>(A+B-C)</b>	<b>37,77,100</b>	<b>27,91,344</b>

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

Particulars	March 31, 2019	March 31, 2018
<b>(a) Inventories at the beginning of the year:</b>		
Finished goods	32,933	39,927
Work-in-progress		
Stock-in-trade	32,933	39,927
<b>(b) Add: Purchases during the year</b>		
Stock-in-trade : Cut Flowers	8,28,330	-
<b>(C) Less : Inventories at the end of the Quarter:</b>		
Finished goods	29,982	32,933
Work-in-progress		
Stock-in-trade : Cut Flowers	29,982	32,933
<b>Net (increase) / decrease (a+b+c)</b>	<b>8,31,281</b>	<b>6,994</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019**  
**Note 20 - Employee Benefits Expense**

Particulars	Amount In Rupees	
	March 31, 2019	March 31, 2018
(a) Salaries and wages, including bonus	29,63,049	26,09,723
(b) Contribution to provident and other funds	2,78,158	4,27,096
(c) Gratuity & Leave Encashment Expenses	1,73,656	1,99,567
(d) Share based payment transactions expenses		
-1 Equity-settled share-based payments	-	-
-2 Cash-settled share-based payments	-	-
(e) Staff welfare expenses	-	3,572
<b>Total Employee Benefit Expense</b>	<b>34,14,863</b>	<b>32,39,958</b>

**Notes to the Financial Statements for the Year Ended March 31, 2019****Note 21 - Finance Cost**

<b>Particulars</b>	<b>Amount in Rupees</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
(a) Interest expense		
(i) Borrowings	22,46,147	15,66,462
(ii) Trade payables		
(iii) Related parties	69,29,633	43,71,555
(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	-	-
<b>Total finance costs</b>	<b>91,75,780</b>	<b>59,38,017</b>

## Notes to the Financial Statements for the Year Ended March 31, 2019

## Note 22 - Other Expenses

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
(a) Electricity Expenses	4,98,050	4,58,695
(b) Generator Expenses	2,25,994	1,32,433
(c) Petrol Sprayer	52,124	63,326
(d) Labour charges	5,11,373	2,85,472
(e) Production-labour charges	20,12,287	15,09,265
(f) Poly House Maintanance Charges	1,21,461	10,225
(g) Repair & maintanance	1,26,762	1,94,520
(h) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	1,06,800	1,13,028
(ii) For Taxation matters	-	-
(iii) For Company Law matters	-	-
(iv) For Other services	21,240	27,140
(i) Other expenses		
(1) Distribution Expenses (Diesel Van)		-
(2) Transportation charges	5,94,363	2,90,712
(3) Air freight /Shipment Charges	47,29,100	1,98,401
(4) Sundry Debtors Written Off		19,399
(5) Office and Establishment Expenses	1,11,103	88,939
(6) Travel & conveyance-Domestic	2,40,398	1,79,297
(7) Rates & Taxes		-
(i) Registration Fees	-	-
(ii) ROC filing fees	-	-
(iii) Ineligible Taxes	7,87,978	
(8) Professional & Consultancy charges	10,37,460	1,00,815
(9) Security Charges	7,70,920	8,64,939
(10) Rent		27,900
(11) Bank charges	63,019	3,575
(12) Consultancy charges	-	
(13) Other Expenses	1,54,614	74,117
<b>Total Other Expenses</b>	<b>1,21,65,046</b>	<b>46,42,197</b>

**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**

<b>Particulars</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
For Statutory Audit Fee including fees for quarterly	1,06,800	85,000
For Other Services	21,240	38,000
<b>Total</b>	<b>1,28,040</b>	<b>1,23,000</b>

**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 2018 to 31 03 2019**

**PNP AGROTECH PRIVATE LIMITED**

**I. ASSUMPTIONS**

	As of 31 03 2019	As of 31 03 2018
<b>Mortality table</b>	IALM(2012-14) ult	IALM(2006-08) ult
<b>Discount rate</b>	7.60%	7.80%
<b>Rate of increase in compensation levels</b>	7.00%	7.00%
<b>Expected average remaining working lives of employees (in years)</b>	11.23 *	11.26 *
<b>Withdrawal Rate</b>		
<b>Age upto 30 years</b>	5.00%	5.00%
<b>Age 31 - 40 years</b>	5.00%	5.00%
<b>Age 41 - 50 years</b>	5.00%	5.00%
<b>Age above 50 years</b>	5.00%	5.00%

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

**II. TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS :**

(All figures in Rupees)

For the period	01 04 2018 to 31 03 2019	01 04 2017 to 31 03 2018
<b>Present value of obligation as at the beginning of the period</b>	230,054	172,374
<b>Interest Expense</b>	17,944	12,411
<b>Current service cost</b>	50,864	48,150
<b>Remeasurements on obligation - (Gain) / Loss</b>	6,009	(2,881)
<b>Present value of obligation as at the end of the period</b>	304,871	230,054

**III. BREAK UP OF SERVICE COST**

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Current Service Cost	50,864	48,150

**IV. NET INTEREST ( INCOME)/EXPENSE :**

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Interest (Income) / Expense – Obligation	17,944	12,411
Net interest (Income) / Expense for the year	17,944	12,411

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Experience (Gain) / Loss on plan liabilities	1,487	8,177
Financial (Gain) / Loss on plan liabilities	4,522	(11,058)

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Opening amount recognised in OCI outside profit and loss account	(19,444)	(16,563)
Remeasurement for the year - obligation (Gain) / Loss	6,009	(2,881)
Total Remeasurements Cost / (Credit ) for the year recognised in OCI	6,009	(2,881)
Closing amount recognised in OCI outside profit and loss account	(13,435)	(19,444)

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Present value of obligation at the end of period	304,871	230,054
Surplus / (Deficit)	(304,871)	(230,054)
Current liability	16,839	12,668
Non-current liability	288,032	217,386
Net asset / (liability) recognised in balance sheet	(304,871)	(230,054)

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Service Cost	50,864	48,150
Net interest ( Income)/ Expense	17,944	12,411
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	68,808	60,561

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Net asset / (liability) recognised at the beginning of the period	(230,054)	(172,374)
Amount recognised outside profit & loss for the year	(6,009)	2,881
Expense recognised at the end of period	(68,808)	(60,561)
Net asset / (liability) recognised at the end of the period	(304,871)	(230,054)

**X. AVERAGE DURATION**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 11.32 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.)
2020	17,000
2021	20,000
2022	23,000
2023	28,000
2024	291,000
2025 – 2029	145,000

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 2019 to 31 03 2020
Service Cost	66,469
Net Interest Cost	22,524
Expected Expense for next year	88,993

**XVI. 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 2019 Present value of obligation (in Rs.)
6.60%	329,283
8.60%	283,332

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

Salary increment rate	31 03 2019 Present value of obligation (in Rs.)
6.00%	285,697
8.00%	326,139

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

<b>Withdrawal rate</b>	<b>31 03 2019 Present value of obligation (in Rs.)</b>
4.00%	303,968
6.00%	305,686

**XVII. 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 2018 to 31 03 2019**

**PNP AGROTECH PRIVATE LIMITED**

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**ASSUMPTIONS :**

	As of	As of
	31 03 2019	31 03 2018
<b>Mortality table</b>	IALM(2012-14) ult	IALM(2006-08) ult
<b>Discount rate</b>	7.60%	7.80%
<b>Rate of increase in compensation levels</b>	7.00%	7.00%
<b>Expected average remaining working lives of employees (in years)</b>	11.23 *	11.26 *
<b>Withdrawal Rate</b>		
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.

**II. TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS :**

(All figures in Rupees)

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
<b>Present value of obligation as at the beginning of the period</b>	273,624	203,225
<b>Interest Expense</b>	21,343	14,632
<b>Current service cost</b>	66,327	56,569
<b>Remeasurements on obligation - (Gain) / Loss</b>	11,169	(802)
<b>Present value of obligation as at the end of the period</b>	372,463	273,624

### III. BREAK UP OF SERVICE COST

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Current Service Cost	66,327	56,569

### IV. NET INTEREST ( INCOME)/EXPENSE :

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Interest (Income) / Expense – Obligation	21,343	14,632
Net interest (Income) / Expense for the year	21,343	14,632

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Remeasurement for the year - Obligation (Gain) / Loss	11,169	(802)
Total Remeasurement Cost / (Credit ) for the year	11,169	(802)

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Experience (Gain) / Loss on plan liabilities	6,386	9,721
Financial (Gain) / Loss on plan liabilities	4,783	(10,523)

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Present value of obligation at the end of period	372,463	273,624

Surplus / (Deficit)	(372,463)	(273,624)
Current liability	39,750	29,700
Non-current liability	332,713	243,924
Net asset / (liability) recognised in balance sheet	(372,463)	(273,624)

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Current service cost	66,327	56,569
Net interest ( Income)/ Expense	21,343	14,632
Remeasurements Cost / (Credit) for the year	11,169	(802)
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	98,839	70,399

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

For the period	01 04 2018 to	01 04 2017 to
	31 03 2019	31 03 2018
Net asset / (liability) recognised at the beginning of the period	(273,624)	(203,225)
Expense recognised at the end of period	(98,839)	(70,399)
Net asset / (liability) recognised at the end of the period	(372,463)	(273,624)

**X. AVERAGE DURATION**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate, availment rate and interest rate) is 7.62 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.)
2020	19,000
2021	19,000
2022	19,000
2023	20,000
2024	168,000
2025 - 2029	58,000

The above cashflows 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 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

<b>A )</b>	<b>Impact of change in Discount rate when base assumption is decreased/increased by 100 basis point</b>	
		<b>31 03 2019</b>
	<b>Discount rate</b>	<b>Present value of obligation</b>
		<b>(in Rs.)</b>
	6.60%	398,107
	8.60%	349,606
<b>B )</b>	<b>Impact of change in Salary Increase rate when base assumption is decreased/increased by 100 basis point</b>	
		<b>31 03 2019</b>
	<b>Salary increment rate</b>	<b>Present value of obligation</b>
		<b>(in Rs.)</b>

	6.00%	352,574
	8.00%	394,322
<b>C )</b>	<b>Impact of change in Availment rate when base assumption is decreased/increased by 100 basis point</b>	
		<b>31 03 2019</b>
	<b>Availment rate</b>	<b>Present value of obligation</b>
		<b>(in Rs.)</b>
	2.00%	354,339
	4.00%	388,797

## **XVI. 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**

	<b>2018-19</b>	<b>2017-18</b>
	<b>(Rs.)</b>	
<b>(Rs.)</b>		
1. Loss after taxation considered for calculation		
Of basic/ diluted earnings per share	(1,58,46,150)	(1,35,24,215)
15846150		
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)	(1.70)	(1.45)

**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**

<b>Export of Cut Flowers (F.O.B)</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>

1. Sales – Cut Flowers: Produced	57,75,864	NIL
2. Sales – Cut Flowers: Traded	17,85,259	NIL

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.) 2018-19		(Rs.) 2017-18	
	Dr.	Cr.	Dr.	Cr.
1. Kolte Patil Developers Ltd.				
Loan Received	NIL	1,35,54,645	NIL	1,71,31,232
Interest payable	NIL	69,29,633	NIL	43,71,555
Balance Payable	NIL	6,03,26,142	NIL	3,98,41,864
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 Rs. Nil

Contingent Liabilities 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 31.03.2019 on account of impairment.

**Note:- 22.9**

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

In terms of our report of even date.  
For M.S.Reddy & Associates

Chartered Accountants  
FRN : 007992S

M. Sridhar Reddy  
Partner

Mem. No. 201103

Place : BANGALORE  
Date : 24.04.2019

For and on behalf of the Board  
of Directors

Vandana Patil	Naresh Patil
Director	Director
DIN : 588888	DIN : 5881077