

## **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 2021, 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, 2021, 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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, 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: 24.05.2021**

## ***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, 2021 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 24.05.2021**



PNP AGROTECH PRIVATE LIMITED Balance Sheet as on 31st March 2021			
Particulars	Note No.	Amount in Rs.	Amount in Rs.
		As on 31-03-2021	As on 31-03-2020
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	1	9,16,28,398	9,51,75,453
(b) Capital work-in-progress	1	-	8,63,431
(c) Goodwill			
(d) Investment Property			
(e) Other Intangible assets			
(f) Intangible assets under development			
(g) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Loans	2	3,65,170	3,65,170
(iv) Others			
(h) Deferred tax assets (net)			
(i) Income Tax Assets (Net)	3	1,77,017	1,46,692
(j) Other non-current assets			
<b>Total Non - Current Assets</b>		<b>9,21,70,585</b>	<b>9,65,50,746</b>
<b>2 Current assets</b>			
(a) Inventories	4	3,58,126	5,55,013
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	5	10,86,321	10,21,278
(iii) Cash and cash equivalents	6	9,48,065	1,99,73,525
(iv) Loans			
(v) Others (to be specified)			
(c) Other current assets		-	-
<b>Total Current Assets</b>		<b>23,92,513</b>	<b>2,15,49,817</b>
<b>Total Assets (1+2)</b>		<b>9,45,63,098</b>	<b>11,81,00,563</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	7	9,32,52,400	9,32,52,400
(b) Other Equity	8	(8,65,12,692)	(7,04,15,790)
Equity attributable to owners of the Company (I)		<b>67,39,708</b>	<b>2,28,36,610</b>
Non-controlling interests (II)			
<b>Total equity (I+II)</b>		<b>67,39,708</b>	<b>2,28,36,610</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	-	1,13,30,322
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)			
(b) Provisions	10	9,97,639	8,56,331
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities			
<b>Total Non - Current Liabilities</b>		<b>9,97,639</b>	<b>1,21,86,653</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	8,42,55,275	7,44,81,620
(ii) Trade payables	12	22,15,599	32,53,364
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)	13	-	49,92,471
(b) Provisions	14	95,109	67,391
(c) Current Tax Liabilities (Net)			
(d) Other current liabilities	15	2,59,767	2,82,453
<b>Total Current Liabilities</b>		<b>8,68,25,750</b>	<b>8,30,77,299</b>
Liabilities associated with assets held for sale			
<b>Total Equity and Liabilities (1+2+3)</b>		<b>9,45,63,098</b>	<b>11,81,00,563</b>
See accompanying notes to the financial statements	22		
In terms of our report of even date.			
For and on behalf of the Board of Directors			
SMITHA SAILESH CHARTERED ACCOUNTANTS Mem. No.: 104984		Director DIN: 00588888	Director DIN: 00881077
Place : BANGALORE Date :24-05-2021			

**PNP AGROTECH PRIVATE LIMITED**
**Profit and Loss for the Year Ended 31st March 2021**

Particulars		Note No.	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>Continuing Operations</b>				
I	Revenue from operations	16	1,63,70,502	1,90,43,339
II	Other Income	17	12,87,244	15,46,989
III	<b>Total Revenue (I + II)</b>		<b>1,76,57,745</b>	<b>2,05,90,328</b>
IV	<b>EXPENSES</b>			
(a)	Cost of Materials consumed	18	37,05,270	40,17,384
(b)	Changes in inventory of Finished Goods/WIP	18	66,094	9,31,790
(c)	Employee benefit expense	19	37,38,656	39,21,969
(d)	Finance costs	20	92,94,052	94,55,933
(e)	Depreciation and amortisation expense	1	45,83,686	42,26,992
(f)	Other expenses	21	1,23,66,889	1,30,00,245
	<b>Total Expenses (IV)</b>		<b>3,37,54,647</b>	<b>3,55,54,313</b>
V	<b>Share of profit / (loss) of joint ventures and associates</b>			
-1	Share of profit / (loss) of joint ventures and associated			
VI	<b>Profit/(loss) before tax (VII - VIII)</b>		<b>(1,60,96,902)</b>	<b>(1,49,63,985)</b>
VII	<b>Tax Expense</b>			
-1	Current tax			
-2	Deferred tax			
-3	Short / (Excess) provision for tax relating to prior years			
	<b>Total tax expense</b>			
VIII	<b>Profit/(loss) after tax from continuing operations (IX - X)</b>		<b>(1,60,96,902)</b>	<b>(1,49,63,985)</b>
IX	<b>Discontinued Operations</b>			
-1	Profit/(loss) from discontinued operations			
-2	Tax Expense of discontinued operations			
	<b>Profit/(loss) after tax from discontinued operations</b>			
X	<b>Profit/(loss) for the period (VIII + IX)</b>		<b>(1,60,96,902)</b>	<b>(1,49,63,985)</b>
XI	<b>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			
XII	<b>Total comprehensive income for the period (XV + XVIII)</b>		<b>(1,60,96,902)</b>	<b>(1,49,63,985)</b>
XIII	<b>Earnings per equity share :</b>			
-1	Basic		(1.73)	(1.60)
-2	Diluted		(1.73)	(1.60)

In terms of our report of even date.

For and on behalf of the Board of Directors

**SMITHA SAILESH**  
**CHARTERED ACCOUNTANTS**  
**Mem. No:-104984**
**Director**  
**DIN: 00588888**
**Director**  
**DIN: 00881077**

 Place : BANGALORE  
 Date : 24-05-2021

PNP AGROTECH PRIVATE LIMITED			
Cash Flow Statement for the Year ended 31st March 2021			
(Amount in Rs.)			
		Year Ended	Year Ended
	Cash Flow Statement	31st Mar 2021	31st Mar 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit Before Tax	(1,60,96,902)	(1,49,63,985)
	Adjustments for :		
	Depreciation and Amortization Expense	45,83,686	42,26,992
	Finance Costs	92,94,052	94,55,933
	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	-	-
		1,38,77,738	1,36,82,925
		<b>(22,19,164)</b>	<b>(12,81,060)</b>
	Operating Profit before working capital changes		
	(Increase)/Decrease in Inventories	1,96,887	24,145
	(Increase)/Decrease in Trade receivables	(65,043)	9,46,988
	(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	(30,325)	97,158
	(Increase)/Decrease in Restricted Cash Balances (e.g. Dividend A/c)		
	Increase/(Decrease) in Long-term provisions	1,41,308	2,35,586
	Increase/(Decrease) in Trade payables	(10,37,765)	1,16,336
	Increase/(Decrease) in Other financial liabilities - Non current		
	Increase/(Decrease) in Other non-current liabilities		
	Increase/(Decrease) in Other financial liabilities - Current	(49,92,471)	9,38,089
	Increase/(Decrease) in Other current liabilities	(22,686)	25,853
	Increase/(Decrease) in Short-term provisions	27,718	10,802
		<b>(57,82,378)</b>	<b>23,94,956</b>
	Cash Generated from Operations	<b>(80,01,541)</b>	<b>11,13,896</b>
	Income Tax Refund / (Paid) (net)	-	-
	<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>(80,01,541)</b>	<b>11,13,896</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Property, Plant and Equipment and Intangible Assets	(10,36,631)	(2,97,580)
	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>(1,73,200)</b>	<b>(2,97,580)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Repayment of long-term / short term borrowings	(1,13,30,322)	(54,80,240)
	Proceed from long-term / short term borrowings	97,73,655	1,39,77,678
	Net increase / decrease in working capital borrowings		
	Capital contribution/(withdrawal) by Minority	-	-
	Dividend & Tax on dividend paid	-	-
	Finance cost paid	(92,94,052)	(94,55,933)
	<b>Net Cash Flow from / (used in) Financing Activities ( C )</b>	<b>(1,08,50,719)</b>	<b>(9,58,495)</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,90,25,460)</b>	<b>(1,42,178)</b>
	<b>Cash and Cash Equivalents (Opening balance)</b>	<b>1,99,73,525</b>	<b>2,01,15,704</b>
	<b>Cash and Cash Equivalents (refer note XX) at the end of the</b>	<b>9,48,065</b>	<b>1,99,73,525</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,90,25,460)</b>	<b>(1,42,178)</b>
We have verified the above Cash Flow Statement of PNP AGROTECH Private Limited for the period ended March 31, 2021 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 : 24-05-2021			

# **PNP Agrotech Private Limited**

## **Notes to the financial statements for the year ended March 31, 2021**

### **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, 2021**

### **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, 2021

### 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, 2021**

### **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, 2021**

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, 2021**

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, 2021**

### **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.

Fixed Assets-Tangible											Amount in Rs.
S.No.	Particulars	Life of Asset considered (No.of. Years)	Gross Block				Depreciation			Net Block	
			Balance As on 01.04.2020	Additions 01.04.2020 to 31.03.2021	Deletions 01.04.2020 to 31.03.2021	Balance As on 31.03.2021	Balance As on 01.04.2020	Depreciation for the year ended 31.03.2021	Balance As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
1	<b>BUILDINGS (OTHER THAN FACTORY BUILDINGS) OTHER THAN RCC FRAME STRUCTURE</b>	<b>30</b>	<b>1,20,49,862</b>	<b>8,63,431</b>	<b>-</b>	<b>1,29,13,293</b>	<b>13,26,450</b>	<b>4,04,348</b>	<b>17,30,798</b>	<b>1,11,82,495</b>	<b>1,07,23,412</b>
	Store Room & Security Room	30	2,56,106	-	-	2,56,106	54,944	8,575	63,520	1,92,586	2,01,162
	D.G.Room	30	4,31,173	-	-	4,31,173	92,169	14,403	1,06,573	3,24,600	3,39,004
	Cold Room	30	91,044	-	-	91,044	20,582	2,992	23,575	67,469	70,462
	RESERVOIR	30	24,29,788	-	-	24,29,788	1,65,536	80,993	2,46,529	21,83,259	22,64,252
	Irrigation Room	30	14,07,154	-	-	14,07,154	3,01,017	47,010	3,48,028	10,59,126	11,06,137
	LABOUR QUARTERS	30	1,72,262	-	-	1,72,262	36,977	5,758	42,735	1,29,527	1,35,285
	Sump Tank	30	8,82,435	-	-	8,82,435	1,89,490	29,492	2,18,982	6,63,453	6,92,945
	PACKING & GRADING HALL	30	1,78,009	8,63,431	-	10,41,440	38,211	8,395	46,605	9,94,835	1,39,798
	Labour Quarters - Ph-2	30	5,39,250	-	-	5,39,250	61,410	17,975	79,385	4,59,865	4,77,840
	Pre cooling Unit	30	56,62,641	-	-	56,62,641	3,66,112	1,88,754	5,54,867	51,07,774	52,96,529
2	<b>BUILDINGS(TUBE WELLS)</b>	<b>5</b>	<b>9,58,965</b>	<b>-</b>	<b>-</b>	<b>9,58,965</b>	<b>9,07,564</b>	<b>51,401</b>	<b>9,58,965</b>	<b>-</b>	<b>51,401</b>
	Borewell	5	4,52,597	-	-	4,52,597	4,52,597	-	4,52,597	-	-
	Borewell-PHASE 2	5	5,06,368	-	-	5,06,368	4,54,967	51,401	5,06,368	-	51,401
3	<b>COMPUTERS AND DATA PROCESSING UNITS [NESD]</b>	<b>3</b>	<b>60,860</b>	<b>32,200</b>	<b>-</b>	<b>93,060</b>	<b>41,237</b>	<b>9,678</b>	<b>50,915</b>	<b>42,145</b>	<b>19,623</b>
	Computers	3	60,860	32,200	-	93,060	41,237	9,678	50,915	42,145	19,623
4	<b>ELECTRICAL INSTALLATIONS AND EQUIPMENT [NESD]</b>	<b>10</b>	<b>12,02,113</b>	<b>-</b>	<b>-</b>	<b>12,02,113</b>	<b>6,81,747</b>	<b>1,20,211</b>	<b>8,01,959</b>	<b>4,00,154</b>	<b>5,20,366</b>
	Electrical Equipment & transformer	10	12,02,113	-	-	12,02,113	6,81,747	1,20,211	8,01,959	4,00,154	5,20,366
5	<b>FURNITURE AND FITTING [NESD]</b>	<b>10</b>	<b>3,09,148</b>	<b>-</b>	<b>-</b>	<b>3,09,148</b>	<b>1,84,836</b>	<b>30,805</b>	<b>2,15,641</b>	<b>93,507</b>	<b>1,24,312</b>
	Furniture & Fixture	10	2,75,199	-	-	2,75,199	1,63,076	27,427	1,90,503	84,696	1,12,123
	Finger Stand & Flower Trolley	10	33,949	-	-	33,949	21,759	3,379	25,138	8,811	12,190
6	<b>LABORATORY EQUIPMENT [NESD]</b>	<b>10</b>	<b>33,242</b>	<b>-</b>	<b>-</b>	<b>33,242</b>	<b>21,588</b>	<b>3,393</b>	<b>24,981</b>	<b>8,261</b>	<b>11,654</b>
	Lab Equipments	10	33,242	-	-	33,242	21,588	3,393	24,981	8,261	11,654
7	<b>PLANT AND MACHINERY (GENERAL RATE)</b>	<b>15</b>	<b>4,08,01,036</b>	<b>-</b>	<b>-</b>	<b>4,08,01,036</b>	<b>1,58,58,125</b>	<b>27,58,369</b>	<b>1,86,16,494</b>	<b>2,21,84,542</b>	<b>2,49,42,911</b>
	Generator	15	4,60,912	-	-	4,60,912	2,14,281	30,810	2,45,091	2,15,821	2,46,631
	Air Conditioner	15	10,99,068	-	-	10,99,068	8,67,163	1,25,533	9,92,696	1,06,372	2,31,905
	Reefer Container	15	3,78,614	-	-	3,78,614	1,63,175	25,123	1,88,298	1,90,316	2,15,439
	Poly House	15	1,42,34,731	-	-	1,42,34,731	92,93,233	9,36,050	1,02,29,283	40,05,448	49,41,498
	Water Distribution System	15	40,25,447	-	-	40,25,447	17,44,680	2,67,270	20,11,950	20,13,497	22,80,767
	Sprayer	15	89,758	-	-	89,758	27,142	5,982	33,125	56,633	62,616

	Pump Set	15	1,08,251	-	-	1,08,251	37,868	7,313	45,182	63,069	70,383
	Packing Machine	15	75,407	-	-	75,407	13,393	5,022	18,415	56,992	62,014
	Weighing Scale	15	10,670	-	-	10,670	4,620	708	5,328	5,342	6,050
	Water Distribution system - Ph - 2	15	16,87,838	-	-	16,87,838	3,84,281	1,12,534	4,96,815	11,91,023	13,03,557
	Poly House - 2	15	1,86,30,340	-	-	1,86,30,340	31,08,287	12,42,023	43,50,310	1,42,80,030	1,55,22,053
<b>8</b>	<b>PLANT AND MACHINERY ***</b>	<b>5</b>	<b>1,02,98,373</b>	<b>28,000</b>	<b>-</b>	<b>1,03,26,373</b>	<b>70,14,014</b>	<b>12,05,481</b>	<b>82,19,495</b>	<b>21,06,878</b>	<b>32,84,359</b>
	Bed Media &Preperation	5	19,95,429	-	-	19,95,429	19,95,429	-	19,95,429	-	-
	Rose Plants	5	28,74,046	28,000		29,02,046	22,74,304	2,96,221	25,70,525	3,31,521	5,99,742
	FARM YARD MENURE & CHEMICALS	5	5,39,561	-	-	5,39,561	5,39,561	-	5,39,561	-	-
	INSECTICIDES & PESTICIDES	5	1,12,698	-	-	1,12,698	1,12,698	-	1,12,698	-	-
	LABOUR CHARGES-CULTIVATION	5	2,30,342	-	-	2,30,342	2,30,342	-	2,30,342	-	-
	Bed media & Preparation - PH - 2	5	45,10,754	-	-	45,10,754	18,52,145	9,02,151	27,54,296	17,56,458	26,58,609
	Weed Cutter	5	12,542	-		12,542	4,594	2,508	7,102	5,440	7,948
	Deleafing machine	5	23,000	-		23,000	4,940	4,600	9,540	13,460	18,060
<b>9</b>	<b>Land &amp; Development</b>	<b>-</b>	<b>5,54,97,416</b>	<b>-</b>	<b>-</b>	<b>5,54,97,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,54,97,416</b>	<b>5,54,97,416</b>
	Land	-	5,52,15,472			5,52,15,472	-	-	-	5,52,15,472	5,52,15,472
	Land Development-Fencing	-	2,81,944			2,81,944	-	-	-	2,81,944	2,81,944
<b>10</b>	<b>LIVE STOCK</b>	<b>-</b>	<b>-</b>	<b>1,13,000</b>	<b>-</b>	<b>1,13,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,13,000</b>	<b>-</b>
	INDIGENOUS COW	-	-	1,13,000		1,13,000	-	-	-	1,13,000	-
	<b>GRAND TOTAL</b>		<b>12,12,11,015</b>	<b>10,36,631</b>	<b>-</b>	<b>12,21,34,646</b>	<b>2,60,35,562</b>	<b>45,83,686</b>	<b>3,06,19,248</b>	<b>9,16,28,398</b>	<b>9,51,75,453</b>
<b>NOTE:-</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</b>									
<b><u>CAPITAL WORK IN PROGRESS</u></b>											
	<b><u>TYPE OF ASSETS</u></b>	<b><u>Gross Block as on 01.04.2020</u></b>	<b><u>Additions from 01.04.2020 to 30.06.2020</u></b>	<b><u>Other Expenses apportioned</u></b>	<b><u>Deletions</u></b>	<b><u>Transfer to Assets as on 30.06.2020</u></b>	<b><u>Transfer to Assets as on 30.09.2020</u></b>				<b><u>Closing balance as on 31.12.2020</u></b>
<b>1</b>	PEB Building -CWIP	5,73,911	-	-	-	-	-		-		
<b>2</b>	JCB HIRE CHARGES	1,15,100		-	-	-	-		-		
<b>3</b>	Labour charges -PEB Building	1,74,420	-	-	-	-	-		-		
<b>4</b>	Tractor Hire Charges			-	-	-	-		-		-
<b>5</b>	Pre cooling unit			-	-	-	-		-		-
<b>6</b>	Green House Ph-1			-	-	-	-		-		-
<b>7</b>	Labour charges -Pre Cooling Unit			-	-	-	-		-		-
<b>8</b>	Labour Charges for Green house -1			-	-	-	-		-		-
<b>9</b>	JCB HIRE CHARGES for Green House			-	-	-	-		-		-
<b>10</b>	Tractor Hire Charges for Green House-1			-	-	-	-		-		-
<b>TOTAL</b>		<b>8,63,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 2 - Others Non current Financial Assets**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
	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 31st March 2021****Note 3- Income Tax**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
<b>Current Tax Asset:</b>	<b>1,77,017</b>	<b>1,46,692</b>
Others		
<b>Total</b>	<b>1,77,017</b>	<b>1,46,692</b>

**Notes to the Financial Statements for the Year ended 31st March 2021****Note 4- Inventories**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
(a) Finished and semi-finished goods	42,869	1,08,963
(b) Raw materials	3,15,257	4,46,050
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>3,58,126</b>	<b>5,55,013</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 5 - Trade receivables**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
	Current	Current
Trade receivables outstanding for a period of more than 6 months		
(a) Secured, considered good		
(b) Unsecured, considered good	93,062	53,750
(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	9,93,259	9,67,528
(c) Doubtful		
Less: Allowance for Credit Losses		
<b>TOTAL</b>	<b>10,86,321</b>	<b>10,21,278</b>



**Notes to the Financial Statements for the Year ended 31st March 2021****Note 6 - Cash and Bank Balances**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
<b>Current Cash and bank balances</b>		
(a) Balances with banks		
- In current accounts	9,43,816	7,27,802
- In deposit accounts		
(b) Cheques, drafts on hand		
(c) Cash in hand	4,250	55,779
(d) Other Bank Balances		
1) Balances held as margin money or security against borrowings, guarantees and other commitments		1,91,89,944
2) Earmarked accounts - unpaid dividend accounts		
<b>Total Cash and cash equivalent</b>	<b>9,48,065</b>	<b>1,99,73,525</b>

**Reconciliation of Cash and Cash Equivalents**

Particulars	Mar 31,2021	Mar 31,2020
Total Cash and Cash Equivalents	9,48,065	1,99,73,525
Add: Non current Cash and bank balances		
Add: Current Restricted cash and bank balances		
<b>Total Cash and Bank Balance</b>	<b>9,48,065</b>	<b>1,99,73,525</b>

Particulars	Amount in Rs.		Amount in Rs.		Amount in Rs.	
	As on 31-03-2021		As on 30-09-2020		As on 31-03-2020	
	No. of shares	Amount (Rs.)	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	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	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>	<b>93,25,240</b>	<b>9,32,52,400</b>

[illegible]

## Notes to the Financial Statements for the Year ended 31st March 2021

## Note 9 - Non Current Borrowings

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
<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	-	1,13,30,322
-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>	-	1,13,30,322
<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>	-	1,13,30,322
<b>Measured at FVTPL</b>		
<b>1) Bonds / Debentures</b>		
<b>2) Term Loans</b>		
<b>Total Borrowings carried at FVTPL</b>		
<b>Total Borrowings</b>	-	1,13,30,322

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 10 - Non Current Provisions**

Particulars		Amount Rs.	Amount Rs.
		As on 31-03-2021	As on 31-03-2020
		Non- Current	Non- Current
(a)	Provision for employee benefits		
	(i) Provision for compensated absences [Leave Encashment]	5,14,589	4,44,099
	(ii) Gratuity	4,83,050	4,12,232
(b)	Other Provisions		
	(i) Warranty	-	-
	(ii) Onerous contracts	-	-
	(iii) Other Provisions	-	-
<b>Total Provisions</b>		<b>9,97,639</b>	<b>8,56,331</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 11 - Current Borrowings**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
<b>A. Unsecured Borrowings - at Amortised cost:</b> <b>(a) Loans repayable on demand</b> -1 From Banks - Working Capital Demand Loans - Cash Credit / Packing Credits - Overdraft facility - Others -2 from other parties <b>(b) Loans from related parties</b> <b>(c) Deposits</b> <b>(d) Other Loans</b> - Commercial Papers - Inter-corporate Deposits - Other Loans	8,42,55,275	7,44,81,620
<b>Total Unsecured Borrowings</b>	<b>8,42,55,275</b>	<b>7,44,81,620</b>
<b>Total Current Borrowings</b>	<b>8,42,55,275</b>	<b>7,44,81,620</b>

**Notes to the Financial Statements for the Year**  
**Note 12 - Current Trade Payables**

Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
	Current	Current
i) Creditors for supplies / services	15,62,964	17,49,721
ii) Creditors for accrued wages and salaries		
iii) Other Out standing Expenses	4,24,061	12,19,039
iii) Acceptances		
iv) Professional Charges Payable	40,726	57,026
v) Statutory & Tax Audit Fees Payable	1,87,848	1,65,240
vi) Salary Payable	-	62,338
<b>Total trade payables*</b>	<b>22,15,599</b>	<b>32,53,364</b>

<b>Notes to the Financial Statements for the Year ended 31st March 2021</b>		
<b>Note 13 -Other Financial Liabilities</b>		
Particulars	Amount Rs.	Amount Rs.
	As on 31-03-2021	As on 31-03-2020
<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	-	49,92,471
-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>49,92,471</b>



**Notes to the Financial Statements for the Year ended 31st March 2021****Note 14 - Current Provisions**

<b>Particulars</b>		<b>Amount Rs.</b>	<b>Amount Rs.</b>
		<b>As on 31-03-2021</b>	<b>As on 31-03-2020</b>
(a)	Provision for employee benefits		
(i)	Leave Encashment & Gratuity	95,109	67,391
(b)	Other Provisions		
i)	Warranty claims	-	-
ii)	Onerous contracts	-	-
iii)	Other Provisions	-	-
<b>Total Provisions</b>		<b>95,109</b>	<b>67,391</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 15 - Other Current Liabilities**

Particulars	Amount in Rs.			Amount in Rs.		
	As on 31-03-2021			As on 31-03-2020		
	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	34854	-	34,854	32,240	-	32,240
- Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty etc.)	223713	-	2,23,713	2,49,013	-	2,49,013
- Professional Tax Payable	1200	-	1,200	1,200	-	1,200
	-	-	-	-	-	-
<b>Total Other Liabilities</b>	<b>2,59,767</b>	<b>-</b>	<b>2,59,767</b>	<b>2,82,453</b>	<b>-</b>	<b>2,82,453</b>

**Notes to the Financial Statements for the Year ended 31st March 2021****Note 16 - Revenue from Operations**

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

Particulars	Amount Rs.	Amount Rs.
	For the year ended 31-Mar-21	For the year ended 31- Mar-20
(a) Sales of cut Flowers	1,63,70,502	1,90,43,339
(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>1,63,70,502</b>	<b>1,90,43,339</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**  
**Note 17 - Other Income**

Particulars	Amount Rs.	Amount Rs.
	For the year ended 31-Mar-21	For the year ended 31-Mar-20
(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)	5,77,005	14,45,369
-2 On Subsidy		
-3 Other Financial assets carried at amortised cost		
-4 Interest on Income tax Refund	-	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)	70,068	34,828
-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	2,620	-
-15 Guarantee premium income		
-16 Miscellaneous Income (DGFT Subsidy)	5,50,048	
-17 Miscellaneous Income (income from GST Non Filing Vendors)	87,502	
<b>Total Other Income</b>	<b>12,87,244</b>	<b>15,46,989</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 18 - Cost of materials consumed**

Particulars	Sl. No.	Amount Rs.	Amount Rs.
		For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>(a) Opening stock</b>	<b>(A)</b>	<b>4,46,050</b>	<b>5,49,176</b>
i)Chemicals		1,80,837	2,03,327
ii)Fertilizers		58,492	1,65,178
iii)Packing Materials		2,06,721	1,80,671
		<b>4,46,050</b>	<b>5,49,176</b>
<b>(b) Add: Purchases during the year</b>	<b>(B)</b>	<b>35,74,477</b>	<b>39,14,258</b>
i)Chemicals		9,96,818	10,99,680
ii)Fertilizers		13,90,166	19,46,010
iii)Packing Materials		3,82,821	8,68,568
(iv)Purchase of Flowers		7,95,672	-
iv)Cauliflower Plants		9,000	-
		<b>35,74,477</b>	<b>39,14,258</b>
<b>(c) Less : Closing stock</b>	<b>(C)</b>	<b>3,15,257</b>	<b>4,46,050</b>
i)Chemicals		1,49,554	1,80,837
ii)Fertilizers		52,615	58,492
iii)Packing Materials		1,13,088	2,06,721
		<b>3,15,257</b>	<b>4,46,050</b>
<b>Cost of materials consumed</b>	<b>(A+B-C)</b>	<b>37,05,270</b>	<b>40,17,384</b>

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

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>(a) Inventories at the beginning of the year:</b>		
Finished goods	1,08,963	29,982
Work-in-progress		
Stock-in-trade	1,08,963	29,982
<b>(b) Add: Purchases during the year</b>		
Stock-in-trade : Cut Flowers	0	10,10,771
<b>(C) Less : Inventories at the end of the Quarter:</b>		
Finished goods	42869	1,08,963
Work-in-progress		
Stock-in-trade : Cut Flowers	42,869	1,08,963
<b>Net (increase) / decrease (a+b+c)</b>	<b>66,094</b>	<b>9,31,790</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**

**Note 19 - Employee Benefits Expense**

Particulars			Amount Rs.	Amount Rs.
			For the year ended 31-Mar-21	For the year ended 31-Mar-20
(a)	Salaries and wages, including bonus		33,39,849	33,65,708
(b)	Contribution to provident and other funds		2,29,781	2,82,055
(c)	Gratuity & Leave Encashment Expenses		1,69,026	2,74,206
(d)	Share based payment transactions expenses			
	(1) Equity-settled share-based payments			
	(2) Cash-settled share-based payments			
(e)	Staff welfare expenses			
<b>Total Employee Benefit Expense</b>			<b>37,38,656</b>	<b>39,21,969</b>

**Notes to the Financial Statements for the Year ended 31st March 2021****Note 20 - Finance Cost**

Particulars	Amount Rs.	Amount Rs.
	For the year ended 31-Mar-21	For the year ended 31-Mar-20
(a) Interest expense		
(i) Borrowings	5,59,153	19,85,990
(ii) Trade payables		
(iii) Related parties	87,34,899	74,69,943
(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>92,94,052</b>	<b>94,55,933</b>

**Notes to the Financial Statements for the Year ended 31st March 2021**
**Note 21 - Other Expenses**

Particulars	Amount Rs.	Amount Rs.
	For the year ended 31-Mar-21	For the year ended 31-Mar-20
(a) Electricity Expenses	6,30,352	7,90,951
(b) Generator Expenses	38,898	1,25,704
(c) Petrol Sprayer	2,401	11,252
(d) Labour charges	7,17,310	6,82,295
(e) Production-labour charges	12,24,532	19,99,887
(f) Poly House Maintanance Charges	1,944	6,15,115
(g) Repair & maintanance	1,95,101	2,69,616
(h) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	1,19,000	75,600
(ii) For Taxation matters		
(iii) For Company Law matters		
(iv) For Other services	-	10,800
(i) Other expenses		
(1) Distribution Expenses (Diesel Van)		
(2) Transportation charges	3,34,150	5,60,230
(3) Air freight /Shipment Charges	61,68,610	45,30,086
(4) Sundry Debtors Written Off		
(5) Office and Establishment Expenses	86,981	81,500
(6) Travel & conveyance-Domestic	1,24,313	1,60,064
(7) Rates & Taxes		
(i) Registration Fees		
(ii) ROC filing fees	1,800	4,200
(iii) Ineligible Taxes	5,48,821	7,84,670
(iv) Membership Fees	20,000	5,000
(v) Others	1,900	29,002
(8) Professional & Consultancy charges	11,27,683	13,26,000
(9) Security Charges	9,15,135	8,46,000
(10) Rent		
(11) Bank charges	56,584	75,968
(12) Tally Renewal Charges		
(13) Other Expenses	10,518	16,304
(14) Commision & Hamali Charges	9,450	-
(15) Expenses for Cauliflower Growing	31,405	-
<b>Total Other Expenses</b>	<b>1,23,66,889</b>	<b>1,30,00,245</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**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
For Statutory Audit Fee including fees for quarterly limited	1,19,000	75,600
For Other Services	0	10,800
<b>Total</b>	<b>1,19,000</b>	<b>86,400</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 2020 to 31 03 2021**

**PNP AGROTECH PRIVATE LIMITED**

**I. ASSUMPTIONS :**

	<b>As of 31 03 2021</b>	<b>As of 31 03 2020</b>
<b>Mortality table</b>	<b>IALM(2012-14) ult</b>	<b>IALM(2012-14) ult</b>
<b>Discount rate</b>	<b>6.70%</b>	<b>6.80%</b>
<b>Rate of increase in compensation levels</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Expected average remaining working lives of employees (in years)</b>	<b>10.48 *</b>	<b>11.78 *</b>
<b>Retirement Age</b>	<b>60 years</b>	<b>60 years</b>
<b>Withdrawal Rate</b>		
<b>Age upto 30 years</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Age 31 - 40 years</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Age 41 - 50 years</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Age above 50 years</b>	<b>5.00%</b>	<b>5.00%</b>

\* 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)

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Present value of obligation as at the beginning</b>	<b>434,895</b>	<b>304,871</b>
<b>of the period</b>		
<b>Interest Expense</b>	<b>29,573</b>	<b>23,170</b>
<b>Current service cost</b>	<b>83,159</b>	<b>66,469</b>
<b>Remeasurements on obligation - (Gain) / Loss</b>	<b>(38,577)</b>	<b>40,385</b>
<b>Present value of obligation as at the end of the period</b>	<b>509,050</b>	<b>434,895</b>

### **III. BREAK UP OF SERVICE COST**

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<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Current Service Cost</b>	<b>83,159</b>	<b>66,469</b>

### **V. NET INTEREST ( INCOME)/EXPENSE :**

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Interest (Income) / Expense – Obligation</b>	<b>29,573</b>	<b>23,170</b>
<b>Net interest (Income) / Expense for the year</b>	<b>29,573</b>	<b>23,170</b>

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Experience (Gain) / Loss on plan liabilities</b>	<b>(42,675)</b>	<b>14,798</b>
<b>Demographic (Gain) / Loss on plan liabilities</b>	<b>0</b>	<b>(2,500)</b>
<b>Financial (Gain) / Loss on plan liabilities</b>	<b>4,098</b>	<b>28,087</b>

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Opening amount recognised in OCI outside profit and loss account</b>	<b>26,950</b>	<b>(13,435)</b>
<b>Remeasurement for the year - obligation (Gain) / Loss</b>	<b>(38,577)</b>	<b>40,385</b>
<b>Total Remeasurements Cost / (Credit ) for the year recognised in OCI</b>	<b>(38,577)</b>	<b>40,385</b>
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>(11,627)</b>	<b>26,950</b>

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Present value of obligation at the end of period</b>	<b>509,050</b>	<b>434,895</b>
<b>Surplus / (Deficit)</b>	<b>(509,050)</b>	<b>(434,895)</b>
<b>Current liability</b>	<b>26,000</b>	<b>22,663</b>
<b>Non-current liability</b>	<b>483,050</b>	<b>412,232</b>
<b>Net asset / (liability) recognised in balance sheet</b>	<b>(509,050)</b>	<b>(434,895)</b>

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Service Cost</b>	<b>83,159</b>	<b>66,469</b>
<b>Net interest ( Income)/ Expense</b>	<b>29,573</b>	<b>23,170</b>
<b>Net periodic benefit cost recognised in the statement of profit &amp; loss at the end of period</b>	<b>112,732</b>	<b>89,639</b>

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Net asset / (liability) recognised at the beginning of the period</b>	<b>(434,895)</b>	<b>(304,871)</b>
<b>Amount recognised outside profit &amp; loss for the year</b>	<b>38,577</b>	<b>(40,385)</b>
<b>Expense recognised at the end of period</b>	<b>(112,732)</b>	<b>(89,639)</b>
<b>Net asset / (liability) recognised at the end of the period</b>	<b>(509,050)</b>	<b>(434,895)</b>

**XII. AVERAGE DURATION**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 10.87 years.

### **XIII. 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:

<b>Year Ending March 31</b>	<b>Expected Benefit Payment rounded to nearest thousand ( in Rs.)</b>
<b>2022</b>	<b>26,000</b>
<b>2023</b>	<b>30,000</b>
<b>2024</b>	<b>36,000</b>
<b>2025</b>	<b>43,000</b>
<b>2026</b>	<b>378,000</b>
<b>2027 – 2031</b>	<b>190,000</b>

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

### **XIV. EXPECTED CONTRIBUTIONS FOR THE NEXT YEAR**

The plan is unfunded as on the valuation date.

### **XV. EXPECTED EXPENSE TO BE RECOGNIZED IN PROFIT AND LOSS ACCOUNT FOR NEXT YEAR :**

<b>For the period</b>	<b>01 04 2021 to 31 03 2022</b>
<b>Service Cost</b>	<b>77,442</b>
<b>Net Interest Cost</b>	<b>33,235</b>
<b>Expected Expense for next year</b>	<b>110,677</b>

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## **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**

<b>Discount rate</b>	<b>31 03 2021 Present value of obligation (inRs.)</b>
5.70%	553,186
7.70%	470,351

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

<b>Salary increment rate</b>	<b>31 03 2021 Present value of obligation (inRs.)</b>
6.00%	474,547
8.00%	547,502

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

<b>Withdrawal rate</b>	<b>31 03 2021 Present value of obligation (inRs.)</b>
4.00%	509,861
6.00%	508,317

## **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 practice 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 2020 to 31 03 2021**

**PNP AGROTECH PRIVATE LIMITED**

**I. ASSUMPTIONS :**

	<b>As of 31 03 2021</b>	<b>As of 31 03 2020</b>
<b>Mortality table</b>	<b>IALM(2012-14) ult</b>	<b>IALM(2012-14) ult</b>
<b>Discount rate</b>	<b>6.70%</b>	<b>6.80%</b>
<b>Rate of increase in compensation levels</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Expected average remaining working lives of employees (in years)</b>	<b>10.48 *</b>	<b>11.78 *</b>
<b>Retirement Age</b>	<b>60 years</b>	<b>60 years</b>
<b>Withdrawal Rate</b>		
<b>Age upto 30 years</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Age 31 - 40 years</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Age 41 - 50 years</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Age above 50 years</b>	<b>5.00%</b>	<b>5.00%</b>

\* 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 2020 to 31 03 2021	01 04 2019 to 31 03 2020
Present value of obligation as at the beginning of the period	488,827	372,463
Interest Expense	33,240	27,250
Current service cost	104,496	105,535
Benefits paid	0	(27,818)
Remeasurements on obligation - (Gain) / Loss	(42,865)	11,397
Present value of obligation as at the end of the period	583,698	488,827

## III. BREAK UP OF SERVICE COST

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For the period	01 04 2020 to 31 03 2021	01 04 2019 to 31 03 2020
Current Service Cost	104,496	105,535

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

For the period	01 04 2020 to 31 03 2021	01 04 2019 to 31 03 2020
Interest (Income) / Expense – Obligation	33,240	27,250
Net interest (Income) / Expense for the year	33,240	27,250

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Remeasurement for the year - Obligation (Gain) / Loss</b>	<b>(42,865)</b>	<b>11,397</b>
<b>Total Remeasurement Cost / (Credit ) for the year</b>	<b>(42,865)</b>	<b>11,397</b>

**VII. BREAKUP OF REMEASUREMENTS (ACTUARIAL (GAIN) / LOSS)**

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Experience (Gain) / Loss on plan liabilities</b>	<b>(46,436)</b>	<b>(24,290)</b>
<b>Demographic (Gain) / Loss on plan liabilities</b>	<b>0</b>	<b>7,952</b>
<b>Financial (Gain) / Loss on plan liabilities</b>	<b>3,571</b>	<b>27,735</b>

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

<b>For the period</b>	<b>01 04 2020 to 31 03 2021</b>	<b>01 04 2019 to 31 03 2020</b>
<b>Present value of obligation at the end of period</b>	<b>583,698</b>	<b>488,827</b>
<b>Surplus / (Deficit)</b>	<b>(583,698)</b>	<b>(488,827)</b>
<b>Current liability</b>	<b>69,109</b>	<b>44,728</b>
<b>Non-current liability</b>	<b>514,589</b>	<b>444,099</b>
<b>Net asset / (liability) recognised in balance sheet</b>	<b>(583,698)</b>	<b>(488,827)</b>

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

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For the period	01 04 2020 to 31 03 2021	01 04 2019 to 31 03 2020
Current service cost	104,496	105,535
Net interest ( Income)/ Expense	33,240	27,250
Transfer In / (Out)	0	0
Remeasurements Cost / (Credit) for the year	(42,865)	11,397
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	94,871	144,182

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

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For the period	01 04 2020 to 31 03 2021	01 04 2019 to 31 03 2020
Net asset / (liability) recognised at the beginning of the period	(488,827)	(372,463)
Benefits directly paid by Company	0	27,818
Expense recognised at the end of period	(94,871)	(144,182)
Net asset / (liability) recognised at the end of the period	(583,698)	(488,827)

**XII. AVERAGE DURATION**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate, availment rate and interest rate) is 8.27 years.

### **XIII. 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:

<b>Year Ending March 31</b>	<b>Expected Benefit Payment rounded to nearest thousand ( in Rs.)</b>
<b>2022</b>	<b>23,000</b>
<b>2023</b>	<b>24,000</b>
<b>2024</b>	<b>24,000</b>
<b>2025</b>	<b>25,000</b>
<b>2026</b>	<b>184,000</b>
<b>2027 - 2031</b>	<b>80,000</b>

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

### **XIV. EXPECTED CONTRIBUTIONS FOR THE NEXT YEAR**

The plan is unfunded as on the valuation date.

### **XV. 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

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

Discount rate	31 03 2021
	Present value of obligation (inRs.)
5.70%	621,674
7.70%	549,658

**d. Impact of change in Salary Increase rate when base assumption is decreased/increased by 100 basis point**

Salary increment rate	31 03 2021
	Present value of obligation (inRs.)
6.00%	554,628
8.00%	615,440

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

Availment rate	31 03 2021
	Present value of obligation (inRs.)
2.00%	563,911
4.00%	601,326

## **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>2020-21</b>	<b>2019-20</b>	
<b>(Rs.)</b>	<b>(Rs.)</b>	
1. Loss after taxation considered for calculation	(160,96,902)	(1,49,63,985)
Of basic/ diluted earnings per share		
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 PerShare (Rs)	(1.73)	(1.60)

**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>31.03.2021</b>	<b>31.03.2020</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
1. Sales – Cut Flowers : Produced	72,92,89,67,661	
2. Sales – Cut Flowers : Traded	27,75,893	19,19,210



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

KoltePatil Developers Ltd.

Holding Company

**Key Management Personnel**

NareshAnirudhaPatil

Director

**ii. Transactions with the related parties :**

The Company has the following transactions with the related parties:

	(Rs.) 2020-21	(Rs.) 2019-20
1. KoltePatil Developers Ltd.		
Loan Received	12,16,656	65,07,735
Load Repaid	48,56,102	6,66,603
Interest Paid/Payable	87,34,899	74,69,943
Balance Payable	8,42,55,275	7,43,03,820
2. NareshAnirudhaPatil		
Advances Repaid	1,77,800	NIL
Balance Payable	NIL	1,77,800

**Note:- 22.7Rs.**

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 31.03.2021on 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 2021 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.

**For and on behalf of the Board of Directors**

**Naresh Patil**  
**Director**  
**DIN: 00881077**  
**Date: 24-05-2021**

**Vandana Patil**  
**Director**  
**DIN: 00588888**