

INDEPENDENT AUDITOR'S REPORT

To the Members of **SHARDA POLAND SP.ZO.O**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SHARDA POLAND SP.ZO.O.**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the 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 stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate 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 Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 31.03.2020, its profit including other comprehensive income, its cash flows and the 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 1 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of written representation received from the directors as on 31st March 2020 and taken on record by the Board of Directors, none of the directors is

Disqualified as on 31st March 2020, from being appointed as a director in terms of section 164(2) of the Act

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our Opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For V.K.BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REGISTRATION NO: 101083W**

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**KUNAL.V.BESWAL
PARTNER
M.NO.131054
PLACE: MUMBAI**

Annexure I to the Auditor's Report even date CARO 2016:

1. In respect of Fixed Assets, the company does not own any Fixed Assets. Hence, this clause is not called for.
2. In respect of Inventories:

As explained to us, inventory of the Company has been physically verified during the year by the management at reasonable intervals and in our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of loans, secured or unsecured granted by the Company to the companies, firms or other parties covered in the register maintained under Section 189 of the companies Act, 2013:
 - a) During the year Company has not granted any loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b) In view of our comments above, clause 3 (iii) (a), (b) of the said order is not applicable to the company.
4. The company has not granted any loans or made any investments or given guarantees or securities during the year. Hence, reporting under this clause is not called for.
5. During the year the company has not accepted any deposits from public or by any means hence the said clause 3 (v) of the said order is not applicable to the Company.
6. As per the information and explanations provided to us, we are the opinion that the maintenance of cost records u/s. 148(1) (d) of the Companies Act, 2013 has not been prescribed by the Central Government for any of the services rendered by the company.
7. In respect of Statutory Dues:
 - (a) According to record of the Company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanation given to us, there were no outstanding statutory dues as on 31st March, 2020 for a period of more than six months from the date they became payable.
 - (b) According to the records of the company there are no dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty/Cess which have not been deposited on account of any dispute.
8. As per the information and explanations given to us, there has been no delay in the repayment of dues to the banks or financial institutions by the Company. The Company has not issued any debentures.

9. During the year the Company has not raised any fund by way of initial public offer or further public offer (including debt instruments). The funds raised by way of term loans have been applied for the purpose for which they were raised.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
11. Company is not a public limited company and provisions of section 197 are not applicable to the company; hence question of reporting on managerial remuneration paid under this clause does not arise.
12. In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi company. Hence, in our opinion the clause does not apply to the company.
13. The Company has disclosed all the transactions with the related parties in the Financial Statements during the year and the transactions are in compliance with sections 177 and 188 of Companies Act, 2013.
14. During the year under consideration, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures; hence comments under this clause are not called for.
15. According to the provisions of section 192 of Companies Act, 2013 the company has not entered into any non-cash transactions with directors or persons connected with him during the year hence no comments under this clause are called for.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence this clause is not applicable and no comments under this clause are called for.

**For V.K.BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REGISTRATION NO: 101083W**

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**KUNAL.V.BESWAL
PARTNER
M.NO.131054
PLACE: MUMBAI**

SHARDA POLAND SP. ZO.O

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in INR)

Particulars	Note No	As at 31-Mar-20	As at 31-Mar-19
ASSETS			
<u>Non -Current Assets</u>			
Non current tax assets		6,09,748	-
Other Non- Current Assets	3	2,45,548	1,95,247
		8,55,296	1,95,247
<u>Current assets</u>			
Inventories	4	7,55,69,251	22,18,63,629
Financial assets			
Trade Receivables	5	38,18,01,934	13,13,68,825
Cash & cash equivalents	6	2,86,88,146	13,41,837
Loans	7	-	-
Other Current Assets	8	46,749	10,02,022
Total current assets		48,61,06,080	35,55,76,313
Total assets		48,69,61,376	35,57,71,560
EQUITY AND LIABILITIES			
<u>Equity</u>			
Equity share capital	9	96,269	96,269
Other equity			
Retained earnings	10	3,83,78,900	3,54,73,885
Other reserves	10	(1,98,17,381)	1,99,59,945
Total equity		1,86,57,788	1,56,10,209
<u>Current liabilities</u>			
Financial liabilities			
Borrowings	11	-	-
Trade Payables	12	41,61,81,826	33,19,98,545
Other current liabilities	13	5,21,21,762	81,62,806
Total current liabilities		46,83,03,588	34,01,61,351
Total equity and liabilities		48,69,61,376	35,57,71,560

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

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

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KUNAL V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date:

For and on behalf of the Board of Directors of
SHARDA POLAND SP.ZO. O

RAMPRAKASH
 VILASRAI BUBNA

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R. V. Bubna
[President]

SHARDA POLAND SP. ZO.O

STATEMENT OF Balance sheet FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR)

Particulars	Note No	Year ended 31-Mar-20	Year ended 31-Mar-19
Revenue from Operations	14	82,28,93,819	36,20,12,487
Other Income	15	4,403	2,45,31,773
Total income		82,28,98,222	38,65,44,260
Expenses			
Purchase of traded goods	16	64,37,75,413	29,90,82,335
(Increase)/ decrease in inventories	17	14,90,01,957	4,36,26,881
Employee benefit expenses	18	16,76,779	8,75,455
Foreign Exchange (gain)/Loss (Net)		(16,13,762)	51,30,970
Finance costs	19	36,853	44,430
Other expenses	20	2,38,56,343	1,55,03,353
Total expenses		81,67,33,583	36,42,63,424
Profit before tax		61,64,639	2,22,80,836
Tax expenses			
Current tax		32,59,624	4,64,551
Deferred tax		-	-
Total Tax expense		32,59,624	4,64,551
Profit for the year		29,05,015	2,18,16,285
Other Comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		1,42,564	6,30,962
Income tax effect		-	-
Other comprehensive income for the year, net of tax		1,42,564	6,30,962
Total comprehensive income for the year		30,47,579	2,11,85,323
Earning per equity share			
Equity share of par value of PLN 50 each			
Basic & Diluted	22	29,050	2,18,163

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

As per our report of even date
For **V.K.BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

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KUNAL V.BESWAL
[PARTNER]

Membership Number - 131054

PLACE : MUMBAI

Date: April 15, 2019

For and on behalf of the Board of Directors of
SHARDA POLAND SP.ZO. O

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VILASRAI BUBNA

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R. V. Bubna
[President]

SHARDA POLAND SP. ZO. O

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2018	96,269	1,36,57,600	(1,93,28,983)	(55,75,114)
Net Profit for the period		2,18,16,285	-	2,18,16,285
Other comprehensive income		-	(6,30,962)	(6,30,962)
Total Comprehensive Income		2,18,16,285	(6,30,962)	2,11,85,323
As on 31 March 2019	96,269	3,54,73,885	(1,99,59,945)	1,56,10,209

FOR THE YEAR ENDED 31 MARCH 2020

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2019	96,269	3,54,73,885	(1,99,59,945)	1,56,10,209
Net Profit for the period		29,05,015	-	29,05,015
Other comprehensive income		-	1,42,564	1,42,564
Total Comprehensive Income		29,05,015	1,42,564	30,47,579
As on 31 March 2020	96,269	3,83,78,900	(1,98,17,381)	1,86,57,788

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

**As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W**

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**For and on behalf of the Board of Directors of
SHARDA POLAND SP. ZO.O**

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**KUNAL V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date:**

**R. V. Bubna
[President]**

SHARDA POLAND SP. ZO. O

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR)

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash flow from operating activities		
Profit before tax for the year	61,64,639	2,22,80,836
Profit before tax	61,64,639	2,22,80,836
Adjustments to reconcile profit before tax to net cash flows	-	-
Operating profit before working capital changes	61,64,639	2,22,80,836
Movements in working capital :		
Decrease / (increase) in other current assets	9,55,273	24,24,381
Increase/ (decrease) in trade payables	8,41,83,281	(12,94,21,966)
Increase/ (decrease) in other current liabilities	4,39,58,956	70,70,420
Decrease / (increase) in trade receivables	(25,04,33,109)	4,36,27,683
Decrease / (increase) in inventories	14,62,94,378	5,59,62,211
Decrease / (increase) in other non-current assets	(50,301)	10,490
Cash generated from /(used in) operations	3,10,73,117	19,54,055
Income taxes paid (net of refunds)	(38,69,372)	(8,14,896)
Net cash flow from/ (used in) operating activities (A)	2,72,03,745	11,39,159
Cash flows from investing activities		
Net cash flow from/ (used in) investing activities (B)	-	-
Cash flows from financing activities		
Proceeds /(repayment) of short term borrowings	-	-
Net cash flow from/ (used in) in financing activities (C)	-	-
Exchange difference on translation of assets and liabilities (D)	1,42,564	(6,30,962)
Net increase/(decrease) in cash and cash equivalents (A + B + C+D)	2,73,46,309	5,08,197
Cash and cash equivalents at the beginning of the year	13,41,837	8,33,640
Cash and cash equivalents at the end of the year	2,86,88,146	13,41,837
Components of cash and cash equivalents		
With banks- on current account	2,86,88,146	13,41,837
Total cash and cash equivalents (note 7)	2,86,88,146	13,41,837

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

As per our report of even date
For **V.K.BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

For and on behalf of the Board of Directors of
SHARDA POLAND SP. ZO.O

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KUNAL V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date:

R. V. Bubna
[President]

SHARDA POLAND SP ZO O

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

1 Corporate information

Sharda Poland SP ZO.O (the company) was incorporated on 03.05.2014 in Poland. The holding company is Sharda Cropchem Limited (Formerly known Sharda Worldwide Exports Pvt. Ltd.) from the date of incorporation

2 SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as

Basis of preparation and Presentation of Financial Statement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Derivative financial instruments measured at fair value
- Certain financial assets and liabilities measured at fair value.
- Employees Defined Benefit Plan as per actuarial valuation

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining 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.

2.2 Summary of significant accounting policies

(a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in or is intended for sale or consumption in the company's normal operating cycle;
- It is held primarily for the purpose of being trading;
- It is expected to be realised within 12 months after the Balance sheet date; or
- It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the Balance sheet date.

Current assets include the current portion of non-current financial assets

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria :

- It is expected to be settled in, the company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the Balance sheet date; or
- The company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the Balance sheet date

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liabilities.

(b) Foreign currency translation

These financial statements are presented in Indian Rupee (INR), which is also the holding companies functional currency.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions.
- Financial instruments (including those carried at amortised cost).

(d) Revenue Recognition

Sale of goods

Revenue from sale of goods is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration which an entity expects to be entitled in exchange for transferring the promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods. The Company operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. It is reassessed at the end of each reporting period.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

SHARDA POLAND SP ZO O

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

(e) Taxation

Income tax expense comprise current tax and deferred tax charge or credit.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(f) Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Impact of COVID-19 :

(1) Events occurring after end of the year

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent of its duration and its economic impact on the business of the company. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these financial statements. However, these developments could impact our future financial results, cash flows and financial condition.

(2) Use of estimates and judgement

As a result of the COVID-19 and the resulting disruptions to the social and economic activities, the Company continues to assess regularly the impact of COVID-19 on its business, in particular the reduction of sales and the estimation of expected credit loss/fair value and collectability of trade receivables. The management considered several foreseeable areas of operational risk and implemented various measures to ensure the continuity of the operations and the ability of the organization to cope with the lock-down situation.

(g) Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. All items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Depreciation is provided after impairment, if any, using the straight-line method as per the useful lives of the assets estimated by the management, or at rates prescribed under Schedule II of the Companies Act 2013.

(h) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life are considered to modify the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Computer Software

Expenses on implementation of Computer Software are amortised on a straight-line basis over a period of four years.

Research and Development costs, Product Registration and Licences

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Company and the Company has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management, and revised to actual amounts on conclusion of agreements.

Product Registration and Licence charges are amortised on a straight-line basis over a period of five years.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

(i) Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right of use assets is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, prospectively, with the cumulative effect is recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the assets and liabilities as on April 1, 2019.

(j) Inventories

Inventories include raw materials, traded goods and finished goods. Inventory is valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item to item basis.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis as per individual location which is done on specific identification of batches. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales. Obsolete, defective and unserviceable inventories are duly provided in the financials.

(k) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized amount can be estimated reliably.

(l) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

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

(m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank Overdrafts as they are considered an integral part of the Company's cash management.

(n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

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

3 Other Non - Current Assets

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Security Deposit	2,45,548	1,95,247
Total	2,45,548	1,95,247

4 Inventories

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Finished goods	7,55,69,251	22,18,63,629
Total	7,55,69,251	22,18,63,629

5 Trade Receivables

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Trade Receivables ,unsecured considered good	38,18,01,934	13,13,68,825
Total	38,18,01,934	13,13,68,825

6 Cash & cash equivalents

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Balances with Bank	2,86,88,146	13,41,837
Total	2,86,88,146	13,41,837

7 Loans

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Loan provided	19,60,842	15,18,913
Less: Loan received	(19,60,842)	(15,18,913)
Total	-	-

8 Other Current assets

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Other Current assets	46,749	10,02,022
Total	46,749	10,02,022

9 Equity share capital

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Authorised shares 100 (Previous year : 100) Shares of 50 PLN each	96,269	96,269
Issued, Subscribed & fully paid up shares 100 (Previous year : 100) Shares of 50 PLN each	96,269	96,269
Total Issued, Subscribed & fully paid up share capital	96,269	96,269

Notes to financial statements for the year ended March 31, 2020**B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	Equity Shares		Equity Shares	
	As at 31-Mar-2020		As at 31-Mar-2019	
	Number	INR	Number	INR
At the beginning of the period	100	96,269	100	96,269
Issued during the period	-	-	-	-
Outstanding at the end of the period	100	96,269	100	96,269

C Details of shareholders holding more than 5% of shares in the company

Name of Shareholder	As at 31-Mar-2020		As at 31-Mar-2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sharda Cropchem Limited	100	100%	100	100%

10 Other equity

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Deficit		
Balance as per the last financial statement	3,54,73,885	1,36,57,600
Add : Profit/(Loss) for the year	29,05,015	2,18,16,285
Closing Balance	3,83,78,900	3,54,73,885
Foreign Currency Translation Reserve		
Balance as per the last financial statement	(1,99,59,945)	(1,93,28,983)
Add : Changes for the period	1,42,564	(6,30,962)
Closing Balance	(1,98,17,381)	(1,99,59,945)
Total	1,85,61,519	1,55,13,940

11 Borrowings

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Unsecured Loan taken	2,89,98,047	-
Unsecured Loan repaid	(2,89,98,047)	-
Total	-	-

12 Trade Payables

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Trade payables Related parties	41,49,19,248	33,08,40,336
Trade payables Others	12,62,578	11,58,209
Total	41,61,81,826	33,19,98,545

13 Other Current liabilities

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Statutory Liabilities	5,20,93,249	81,62,806
Interest payable	28,513	-
Total	5,21,21,762	81,62,806

14 Revenue from Operations

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Sales of Agro Chemicals	82,28,93,819	36,20,12,487
Total	82,28,93,819	36,20,12,487

Notes to financial statements for the year ended March 31, 2020**15 Other income**

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Interest income on loan	623	4,475
Sundry Balances written back	-	2,45,27,298
Miscellaneous Income	3,780	-
Total	4,403	2,45,31,773

16 Purchase of traded goods

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Purchases of Agro Chemicals	64,37,75,413	29,90,82,335
Total	64,37,75,413	29,90,82,335

17 Changes in Inventories

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Inventories at the end of the year Traded goods	7,55,69,251	22,18,63,629
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	2,71,494	97,15,105
Inventories at the beginning of the year Traded goods	22,18,63,629	27,78,25,840
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	29,79,073	(26,20,225)
Total	14,90,01,957	4,36,26,881

18 Employee benefit expenses

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Salaries & wages	16,76,779	8,75,455
Total	16,76,779	8,75,455

19 Finance costs

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Interest expense	36,853	44,430
Total	36,853	44,430

20 Other expenses

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Freight and forwarding expenses	1,14,41,573	95,07,367
Rent	46,77,855	14,54,981
Rates and taxes	3,48,264	2,68,120
Insurance	99,797	1,77,819
Repairs and maintenance	11,95,102	1,55,060
Travelling and conveyance	2,15,832	66,194
Communication expenses	4,77,839	2,98,527
Office expenses	2,96,682	4,20,480
Legal and professional fees	37,28,722	15,12,997
Bank charges	8,55,275	5,51,978
Miscellaneous expenses	2,59,850	3,92,403
Other Operating expenses	1,65,358	5,19,532
Commission expense	94,194	1,77,895
Total	2,38,56,343	1,55,03,353

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Notes to financial statements for the year ended March 31, 2020**21 Income Taxes**

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	INR	INR
Current income tax	32,59,624	4,64,551
Total	32,59,624	4,64,551

22 Earnings per share (EPS)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Basic and diluted earning per share:		
Profit after taxation as per statement of Balance sheet	29,05,015	2,18,16,285
Weighted average number of equity shares outstanding	100	100
Basic and diluted earning per share	29,050	2,18,163
Nominal Value of equity share (PLN)	50.00	50.00

23 Contingent liabilities and Commitments

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	INR	INR
Contingent liabilities	NIL	NIL
Commitments	NIL	NIL

24 Segment reporting

The Company operates in a single and related business segment viz. Agro Chemicals . Therefore, the information required by the IND AS 108 on segment reporting is not applicable to the Company.

25 (a) Disclosures required to be given under IND AS 115 Revenue from Contracts with Customers

- (A) The Company is engaged in the business of dealing in agrochemical products in Poland. Revenue from sale of goods is recognized when control of the goods have been passed to the buyer. Revenue from the sale of goods is measured at amount of consideration which an entity expects to be entitled in exchange for transferring promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. The Company operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(B) Reconciliation of revenue recognised from Contract liability:

(Amt in INR)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Contract liability	-	-
Less: Recognised as revenue during the year	-	-
Add: Addition to contract liability during the year	-	-
Add: Other Adjustments	-	-
Closing Contract liability	-	-

(C) Reconciliation of revenue as per contract price and as recognised in statement of Balance sheet:

(Amt in INR)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customer as per Contract price	85,57,24,456	37,35,21,507
Less: Discounts and incentives	2,79,16,532	1,33,49,044
Less:- Sales Returns /Credits / Reversals	49,14,106	- 18,40,024
Less:- Any other adjustments		
Revenue from contract with customer as per statement of Balance sheet	82,28,93,819	36,20,12,487

Notes to financial statements for the year ended March 31, 2020**D Disaggregation of revenue from contract with customers**

Year ended March 31, 2020

(Amt in INR)

Particular	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Agrochemicals - Europe	82,28,93,819	-	82,28,93,819	-	82,28,93,819
Other Income - Unallocated	-	-	-	4,403	4,403
Total	82,28,93,819	-	82,28,93,819	4,403	82,28,98,222

Year ended March 31, 2019

(Amt in INR)

Particular	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Agrochemicals - Europe	36,20,12,487	-	36,20,12,487	-	36,20,12,487
Other Income - Unallocated	-	-	-	2,45,31,773	2,45,31,773
Total	36,20,12,487	-	36,20,12,487	2,45,31,773	38,65,44,260

26 Fair Value Measurements

	As at 31-Mar-2020			As at 31-Mar-2019	
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Assets					
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Total Financial liabilities	-	-	-	-	-

27 Related Party Disclosures**(a) Related parties with whom transactions have taken place during the Year:**

Particulars	
(i) Parent company	Sharda Cropchem Limited
(ii) Fellow Subsidiary	Sharda Cropchem Espana SL
(iii) Fellow Subsidiary	Sharda Hungary Kft
(iv) Fellow Subsidiary	Sharda International DMCC

