

POCHIRAJU INDUSTRIES LIMITED**Notes to accounts****Corporate Information:**

POCHIRAJU INDUSTRIES LIMITED (“the Company”) was incorporated in India in the year 2004 having its Registered office at 1/102 SATHYAMANGALAM VILLAGE HOSUR TALUK DHARMAPURI TN 635105 IN. The Company is in the process of Agriculture, Floriculture, operations in agriculture, Trading and cultivation of agricultural products, Pharmaceuticals, Bio Pharmaceuticals manufacturing and trading.1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements

Disclosure of Significant Accounting Policies:**1.1. Basis for preparation of financial statements:****a) Compliance with Indian Accounting Standards (Ind As)**

The Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

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

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and accounting policies and other explanatory information (together hereinafter referred to as ‘Ind AS Financial Statements’ or ‘financial statements’).

These financial statements are approved by the Board of Directors on 25.06.2020.

b) Basis of Preparation of financial statements

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis as per the provisions of Companies Act 2013.

- Financial instruments – measured at fair value;
- Assets held for sale—measure at fair value less cost of sale;
- Plan assets under defined benefit plans—measure at fair value
- Employee share-based payments—measure at fair value
- Biological assets—measure at fair value
- In addition, the carrying values of recognized assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

c) Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria: it is expected to be realized in, or is intended for sale or consumption in, the Company’s normal operating cycle. It is held primarily for the purpose of being traded;

- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- 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 being traded
 - It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification
- All other liabilities are classified as non-current

d) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and

POCHIRAJU INDUSTRIES LIMITED

judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are:

S. no	Name of the estimate	Note No	Remarks
1	Fair value of unlisted equity securities	Not applicable	No unlisted equity shares are held by the company during the current financial year
2	Goodwill impairment	Not applicable	No amount provided during the current Financial year
3	Useful life of in tangible asset	Not Applicable	No intangible assets held by the company for the current financial year
4	Defined benefit obligation	Note No.1.15	Long term provision for gratuity
5	Measurement of contingent liabilities and contingent purchase consideration in a business combination	Not applicable	Contingent transactions are recognized based on happening contingent event. No contingent liabilities for the report
6	Current tax expense and current tax payable	Note No.32	As per the Ind AS.12
7	Deferred tax assets for carried forward tax losses	Note No.1.2	As per the Ind AS.12
8	Impairment of financial assets	Note No.1.3	As per Ind AS 16

e)Standards issued but not effective (based on Exposure drafts available as on date)

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

(i) Issue of Ind AS117–Insurance Contracts:

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Company's financial statements.

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination - nil
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property - nil

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

1. **Significant accounting policies:**

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

1.1 **Ind AS 105: Non-Current Assets held for Sale or Discontinued Operations:**

S. No	Particulars of Disclosures	As at 31 st March 2020 (Rs.)	As at 31 st March 2019 (Rs.)
1	A Description of Non-Current Asset (Disposal group)	-	-
2	a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal	-	-
3	the gain or loss recognized in accordance with paragraphs 20– 22	-	-

	and, if not separately presented in the statement of profit and loss, the caption in the statement of profit and loss that includes that gain or loss		
--	---	--	--

1.2 Ind AS 106: Exploration for Evolution of Mineral resources: This Ind AS 106 not applicable, the company is in the business of process of Agriculture, Floriculture, operations in agriculture, Trading and cultivation of agricultural products, Pharmaceuticals, Bio Pharmaceuticals manufacturing and trading.. Hence this Ind AS does not have any financial impact on the financial statements of the company.

1.3 Ind AS-16: Property, Plant and Equipment:

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the Companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

S. No	Asset	Use full life in Years
1	Computers	3
2	Office Equipment	5
3	Furniture & Fixtures	10
4	Vehicles	10
5	Generator	5

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

1.4 Impairment Assets (Ind AS 36)

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

The books of accounts of the company doesn't carry any impairment of assets during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

1.5 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

1.6 Cash Flow Statement (Ind AS 7):

Cash flows are reported using the indirect method under Ind AS 7, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

a). Non-cash items: Nil

b). Changes in Liability Arising from Financing Activity

Particulars	01-Apr-19	Cash Flow		31-Mar-20
		Receipts	Payments	
Current Borrowings	410,406,255	-	-	410,406,255
Non-current Borrowings	74,700,000	-	-	74,700,000
Total	485,106,255	-	-	485,106,255

1.7 Operating Cycle:

The Company has adopted its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets for processing and their realization, for the purpose of current / non-current classification of assets and liabilities.

1.8 Capital Work in Progress

Capital Work in Progress (CWIP) includes Civil Works in Progress, Plant & Equipment under erection and Preoperative Expenditure pending allocation on the assets to be acquired/commissioned, capitalized. It also includes payments made towards technical know-how fee and for other General Administrative Expenses incurred for bringing the asset into existence.

1.9 Investments:

Investments are classified as Non-Current and Current investments.

Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value. Non-Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments.

1.10 Effects of changes in foreign Rates (Ind AS 21):

Foreign currency transactions are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. Exchange difference arising on settled foreign currency transactions during the year and translation of assets and liabilities at the yearend are recognized in the statement of profit and loss.

In respect of Forward contracts entered into to hedge risks associated with foreign currency fluctuation on its assets and liabilities, the premium or discount at the inception of the contract is amortized as income or expense over the period of contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or expense in the period in which such cancellation or renewal is made.

The company has not entered any foreign exchange transactions during the reporting period, hence this accounting standard does not have financial impact on the financial statements.

1.11 Borrowing Costs (Ind AS 23):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets up to the date of capitalization of such asset are capitalized as part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.12 Revenue Recognition (Ind AS 18-Revenues) :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a) Sales Revenue is recognized on dispatch to customers as per the terms of the order. Gross sales are net of returns and applicable trade discounts and excluding GST billed to the customers.
- b) Subsidy from Government is recognized when such subsidy has been earned by the company and it is reasonably certain that the ultimate collection will be made.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- d) All other incomes are recognized based on the communications held with the parties and based on the certainty of the incomes.

1.13 Accounting for Government Grants and Disclosure of Government Assistance (Ind AS 20):

Government grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.14 Inventories (Ind AS 2) :

Inventories at the yearend are valued as under:

Raw Materials, Packing Material, Components, Consumables and Stores & Spares	At Cost as per First in First out Method (FIFO)
Work In Progress and Finished goods	At lower of net realizable value and Cost of Materials plus Cost of Conversion and other costs incurred in bringing them to the present location and condition

- Cost of Material excludes duties and taxes which are subsequently recoverable.
- Stocks at Depots are inclusive of duty, wherever applicable, paid at the time of dispatch from Factories.

1.15 Trade Receivables – Doubtful debts:

Provision is made in the Accounts for Debts/Advances which is in the opinion of Management are Considered doubtful of Recovery.

1.16 Retirement and other Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method. Actuarial gains and losses for defined benefits plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

1.17 Ind AS 17- Leases

Finance charges in respect of finance lease obligations are recognized as finance costs in the statement of profit and loss. In respect of operating leases for premises, which are cancellable / renewable by mutual consent on agreed terms, the aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

1.18 **Insurance Claims:**

Insurance Claims are accounted for on the basis of claims admitted/excepted to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.19 Earnings per Share (Ind AS 33):

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 period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.20 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37) :

The Company recognized provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources required to settle the obligation in respect of which a reliable estimate can be made. A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets are neither recognized nor disclosed in the financial statements.

Contingent Liabilities not provided for and commitments:

Nature of Contingent Liability	(in Rupees)	
	March 31, 2020	March 31, 2019
i. Unexpired guarantees issued on behalf of the company by Banks for which the Company has provided counter guarantee	NIL	NIL
ii. Bills discounted with banks which have not matured	Nil	Nil

POCHIRAJU INDUSTRIES LIMITED

iii. Corporate Guarantees issued by Company on behalf of others to Commercial Banks & Financial Institutions	Nil	Nil
iv. Collateral Securities offered to Banks for the limit Sanctioned to others	Nil	Nil
v. Legal Undertakings given to Customs Authorities for clearing the imports	Nil	Nil
vi. Claims against the company not acknowledged as debts		
a. Excise	NIL	NIL
b. Sales Tax	NIL	NIL
c. Service Tax	Nil	Nil
d. Income Tax	NIL	NIL
e. Civil Proceedings	NIL	NIL
f. Company Law Matters	Unascertainable	Unascertainable
g. Criminal Proceedings	Unascertainable	Unascertainable
h. Others	Nil	Nil
vii. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil

1.21 Prior Period and Extraordinary and Exceptional Items:

- (i) All Identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Items".
- (ii) Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. The nature and the amount of each extraordinary item be separately disclosed in the statement of profit and loss in a manner that its impact on current profit or loss can be perceived.

- (iii) Exceptional items are generally non-recurring items of income and expenses within profit or loss from ordinary activities, which are of such, nature or incidence.

1.22 Financial Instruments (Ind AS 107 Financial Instruments: (Disclosures))

I. Financial assets:

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset 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.

b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets 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.

B. Investments in subsidiaries

The Company does not have any investments in subsidiaries.

II. Financial Liabilities

A. Initial recognition

All financial liabilities are recognized at fair value.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments



NOTE NO. 1.1: PROPERTY, PLANT AND EQUIPMENT:

	Electrical and accessories	Furniture and Fixtures	Plant & Machinery	Irrigation & Green House Assets	Planting material	Land & Development	Building & Civil Works	Other Assets	Total
Deemed cost (gross carrying amount)									
Balance at 1 April 2018	3,78,30,763	55,95,109	28,68,13,070	9,89,41,754	19,48,00,795	6,97,95,787	20,48,48,102	4,55,13,493	94,41,38,873
Additions	-	-	-	-	-	-	-	-	-
Balance at 31 March 2019	3,78,30,763	55,95,109	28,68,13,070	9,89,41,754	19,48,00,795	6,97,95,787	20,48,48,102	4,55,13,493	94,41,38,873
Additions	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	3,78,30,763	55,95,109	28,68,13,070	9,89,41,754	19,48,00,795	6,97,95,787	20,48,48,102	4,55,13,493	94,41,38,873
Balance at 31 March 2018	2,68,08,747	55,95,109	12,57,94,874	6,49,41,188	19,48,00,795	-	4,58,98,535	2,76,02,207	49,14,41,455
Depreciation for the year	36,74,005	-	2,01,27,275	30,52,312	-	-	69,55,150	22,38,911	3,60,47,653
Balance at 31 March 2019	3,04,82,752	55,95,109	14,59,22,149	6,79,93,500	19,48,00,795	-	5,28,53,685	2,98,41,118	52,74,89,108
Depreciation for the year	36,74,005	-	2,01,27,275	30,52,312	-	-	69,55,150	22,38,911	3,60,47,653
Balance at 31 March 2020	3,41,56,758	55,95,109	16,60,49,423	7,10,45,813	19,48,00,795	-	5,98,08,835	3,20,80,029	56,35,36,761
Carrying amounts(net)									
At 31 March 2020	36,74,005	-	12,07,63,647	2,78,95,941	-	6,97,95,787	14,50,39,267	1,34,33,464	38,06,02,112
At 31 March 2019	73,48,011	-	14,08,90,922	3,09,48,254	-	6,97,95,787	15,19,94,417	1,56,72,375	41,66,49,765

Note: 1.2 Other Intangible Assets

Particular	computer Software	Patentents	Trade marks	Total
Cost/Deemed Cost:				
at 1st April 2018	-	-	-	-
Additions	-	-	-	-

Deletions	-	-	-	-
As at March 2019	-	-	-	-
Additions	-	-	-	-
Deletions	-	-	-	-
As at March 2020	-	-	-	-
Depreciation/Impairment				-
at 1st April 2018	-	-	-	-
Depreciation for the year	-	-	-	-
Disposals				-
Impairment				
As at March 2019	-	-	-	-
Depreciation for the year	-	-	-	-
Disposals				-
Impairment				
As at March 2020	-	-	-	-
Net Book Value				
As at March 2020	-	-	-	-
As at March 2019	-	-	-	-

* The fixed assets of Bio-Pharma Division worth of Rs. 37.75 Crore (Net Book Value) and capital WIP of Bio-Pharma Division worth Rs. 26.30 Crore worth were auctioned by the lender banker for Rs.22.50 Crores under the provisions SARFEASI ACT. The company has filed writ petition in Honorable High Court of Andhra Pradesh and Telangana challenging the auction in total violation of provision of SARFEASI ACT. The financial statements are prepared without consideration of said sale. The effect sale will be considered in financial statements depending on outcome of the judgment.

POCHIRAJU INDUSTRIES LIMITED

Notes to accounts

NOTE NO: 2 Investments

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current		
Investments in quoted shares	-	-
Investment in unquoted shares of subsidiaries	-	-
Investment in Joint Ventures	-	-
Investment in Preference Shares	-	-
Investment in partnerships	-	-
Total	-	-
Current		
Investments in quoted shares	-	-
Investment in unquoted shares of subsidiaries	-	-
Investment in Joint Ventures	-	-
Investment in Preference Shares	-	-
Investment in partnerships	-	-
Total	-	-

NOTE NO: 3 Trade Receivables

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current		
(A) Secured and considered good:		
-From Related party	-	-
-From Others		
(B) Unsecured and considered good:		
-From Related party		
-From Others		
(C) Doubtful:		
-From Related party		
-From Others		
Less: allowance for doubtful debts		
Total		
(A) Secured and considered good:		
-From Related party		
-From Others		
(B) Unsecured and considered good:		
-From Related party		

POCHIRAJU INDUSTRIES LIMITED

-From Others (C) Doubtful: -From Related party -From Others Less: allowance for doubtful debts <p style="text-align: right;">Total</p>		
	-	-

NOTE NO: 4 Loans

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current:		
Loans:		
to related parties	-	-
to other body corporate	-	-
to employees	-	-
Security Deposits:	-	-
Less: allowances for Doubtful loans	-	-
Total Loans	-	-
Notes:		
Considered good	-	-
Considered Doubt full, Provided:	-	-
To related parties	-	-
to other body corporate	-	-
to employees	-	-
Current:		
Loans:		
to related parties	-	-
to other body corporate	-	-
to employees	-	-
Security Deposits:	-	-
Less: allowances for Doubfull loans	-	-
Total Loans	-	-
Notes:		
Considered good	-	-
Considered Doubt full, Provided:	-	-
To related parties	-	-
to other boady corporate	-	-
to employees	-	-

NOTE NO: 5 Other Financial Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current		
1. Export benefits and entitlements	-	-
2. Insurance claims receivables	-	-
3. Advances towards equity/preference share capital	-	-
4. Derivative instruments:		
a) Derivative instruments at fair value	-	-
b) Cash flow hedges	-	-
c) Foreign exchange forward contracts	-	-
Total Derivative Instruments at fair value through OCI	-	-
5. Derivative instruments at fair value through profit or loss through OCI:		
Derivatives not designated as hedges	-	-
Foreign exchange forward contracts	-	-
Embedded derivatives	-	-
Total derivative instruments at fair value through profit or loss	-	-
Total Financial Assets	-	-
Current		
1. Export benefits and entitlements	-	-
2. Insurance claims receivables	-	-
3. Advances towards equity/preference share capital	-	-
4. Derivative instruments:		
a) Derivative instruments at fair value	-	-
b) Cash flow hedges	-	-
c) Foreign exchange forward contracts	-	-
Total Derivative Instruments at fair value through OCI	-	-
5. Derivative instruments at fair value through profit or loss through OCI:		
Derivatives not designated as hedges	-	-
Foreign exchange forward contracts	-	-
Embedded derivatives	-	-
Total derivative instruments at fair value through profit or loss	-	-
Total Financial Assets	-	-

POCHIRAJU INDUSTRIES LIMITED

NOTE NO: 6 Income Taxes

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
a) Current Tax liability		
Opening Balance	30,75,426	30,75,426
Add: Current tax payable for the year	-	-
Less: Taxes Paid	-	-
Less: TDS Receivables/Advance Tax	-	-
Closing balances	30,75,426	30,75,426
b) Current Tax Asset		
Opening Balance		
Add: Taxes paid/TDS Receivable	-	-
Less: Current tax payable for the year	-	-
Closing Balance	-	-
c) Differed Tax Asset		
Differed tax Asset - (A)		
Provision for Employees	-	-
Warranty Provisions	-	-
Loss allowance on financial and Contract Assets	-	-
Others	-	-
Sub Total (A)	-	-
Differed tax Liability- (B)		
on Written down value of fixed assets	-	-
Others	-	-
Sub Total (B)	-	-
Total (A-B)	-	-

NOTE NO: 7 Other Non-Current Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
A. Other Non-Current Assets		
Capital Advances	-	-
Advances other than capital advances	-	-
Security Deposits	11,03,000	11,03,000
Other Unsecured Advances	48,29,025	48,29,025
Pre-operative expenses not written off	-	-
Total of Other Non-Current Assets	59,32,025	59,32,025

NOTE NO: 8 Inventories

POCHIRAJU INDUSTRIES LIMITED

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
1. Raw Material	-	-
2. Packing Material	-	-
3. Work in Process	-	-
4. Finished Goods	-	-
5. Consumables & Stores and Spares	-	-
Total Inventories	-	-

Disclosure of Inventories pledged as security for

NOTE NO: 8 liabilities as follows

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
A. As at 31st March 2020		
a) Raw Material	-	-
b) Work in Process	-	-
c) Finished Goods	-	-
B. As at 31st March 2019		
a) Raw Material	-	-
b) Work in Process	-	-
c) Finished Goods	-	-
Total Inventories	-	-

NOTE NO: 9 Cash and Cash Equivalents

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
1. Cash and Cash Equivalents (Note 9.1)	1,045	1,253
2. Bank Balances other than Cash and Cash Equivalents	-	-
Total Cash and Cash Equivalents	1,045	1,253

Notes:

1. In the Balance Sheet Cash comprises cash and demand deposits.
2. Cash equivalents are held for the purpose of short term cash commitments rather than for investment or other purpose

NOTE NO: 9.1 Cash and Cash Equivalents

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Bank and Cash Balances		

POCHIRAJU INDUSTRIES LIMITED

On Current Accounts:		
1. Balances with Scheduled Banks	-	-
2. Fixed Deposits	-	-
3. Cheques/drafts on hand	-	-
4. Cash on hand	1,045	1,253
Total Cash and Cash Equivalents	1,045	1,253

NOTE NO: 10 Other Current Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
<u>Other Current Assets</u>		
1. Capital Advances:	-	-
Advances to Plant and Machinery	-	-
2. <u>Advances other than capital advances:</u>		
MAT Credit Entitlement	-	-
3. Security Deposits	-	-
4. Advances to Related Parties	-	-
5. Other Advances:		
GST Input	-	-
Advances for Expenses	-	-
Interest Receivable	-	-
Prepaid Expenses	-	-
TDS Receivable	-	-
Advance Tax	-	-
Others	-	-
Total of Other Current Assets	-	-

a. Equity share capital

(Amt. in Rs.)

	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Authorised Equity shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Issued Equity shares of Rs. 10 each Subscribed and Paid-up	18,906,675	189,066,750	18,906,675	189,066,750
Equity shares of Rs. 10 each fully paid-up	18,906,675	189,066,750	18,906,675	189,066,750
Total	18,906,675	189,066,750	18,906,675	189,066,750

b. Reconciliation of the number of equity shares outstanding and the amount of share capital

	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares Issued and Subscribed:				
Shares outstanding at the beginning of the year	18,906,675	189,066,750	18,906,675	189,066,750
Add: Issued During the year for cash	-	-	-	-
Add: Shares issued at ESOP trust	-	-	-	-
Shares outstanding at the end of the year	18,906,675	189,066,750	18,906,675	189,066,750

c. Terms / rights attached to equity Shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

d. Shares reserved for issue underwriter options

Nil

e. Detail of Rights Issues

Nil

f. details of shares held by Holding/Ultimately Holding Company

Nil

POCHIRAJU INDUSTRIES LIMITED

g. Details of shares issued for consideration other than cash Nil

h. Shares in the company held by each shareholder holding more than 5 percent

Name of the Shareholder	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. P Sudhakar	4,389,145	23.21%	4,389,145	23.21%
Mrs. P Sailaja	1,680,619	8.89%	1,680,619	8.89%

i. Dividend Declaration Details

Particulars	Amount in Rs.	
	As at Mar 31, 2020	As at March 31, 2019
Cash Dividend Declared for the Year 31 march 2019	-	-
Dividend Distribution Tax on final Dividend	-	-
Interim Dividend for the year ended on 31March 2020	-	-
Total	-	-
Proposed Dividend on Equity Shares		
Final Dividend for the year ended 31 March 2020		
Distribution Tax on Proposed Dividend		
Total	-	-

Note 12 Other equity

(A)

	As at Mar 31, 2020	As at March 31, 2019
Capital Reserve:		
Balance at the beginning of the year	-	-
Add: Addition During the Year	-	-
Balance at the end of the year	-	-
Securities Premium:		
Balance at the beginning of the year	275,955,000	275,955,000

POCHIRAJU INDUSTRIES LIMITED

Add: Securities Premium on shares issued during the year	-	-
Balance at the end of the year	275,955,000	275,955,000
Retained earnings		
Balance at the beginning of the year	(168,079,718)	- 130,450,491
Add: Addition During the Year	(40,194,069)	(37,629,227)
Balance at the end of the year	(208,273,787)	(168,079,718)
Total other Equity	67,681,213	107,875,282

(B) Other Reserves

	As at Mar 31, 2020	As at March 31, 2019
Debentures Redemption Reserves:		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
Balance at the end of the year	-	-
Capital Redemption Reserves:		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
Balance at the end of the year	-	-
Share Warrants:		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
Balance at the end of the year	-	-
Total Other Reserves	-	-



NOTE NO: 13 Borrowings

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current:		
1. Bonds	-	-
2. Debentures(Secured)	-	-
3. Term loans:		
i. Secured:		
-From Banks	7,47,00,000	7,47,00,000
ii. Working Capital	-	-
iii. Deferred payment liabilities	-	-
iv. Other Loans	-	-
v. Finance lease obligations	-	-
vi. Preference shares	-	-
vii. Interest-free sales Tax deferral loan from state Govt.	-	-
4. Unsecured Loans		
Loans from Individuals other than Banks	-	-
Total	7,47,00,000	7,47,00,000
Current:		
1. Bonds		-
2. Debentures(Secured)		-
3. Term loans:		
i. Secured	18,96,36,266	18,96,36,266
ii. Working Capital	22,07,69,989	22,07,69,989
iii. Deferred payment liabilities	-	-
iv. Other Loans	-	-
v. Finance lease obligations	-	-
vi. Preference shares	-	-
vii. Interest-free sales Tax deferral loan from state Govt.	-	-
4. Unsecured Loans		
Loans from Individuals other than Banks	-	-
Total	41,04,06,255	41,04,06,255

Disclosure: 1. Non-current Term Loan of Rs. 7,47,00,000 is secured by fixed assets and guaranteed by directors and others. The loan account became NPA and the company has defaulted in making payment
2. Term Loan of Rs. 18,96,36,266 has become NPA and the company has defaulted in making the payment
3. Working Capital Loan of Rs. 22,07,69,989/- is repayable on demand. The company defaulted in making the interest payment and the CC account became NPA

POCHIRAJU INDUSTRIES LIMITED

NOTE NO: 14 Trade Payables

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	
Non-Current:		
A. Trade payables		
a). Total Outstanding Dues to Micro, Small and Medium Enterprises	-	
b). Total Outstanding Dues to other than Micro, Small and Medium Enterprises	-	
Sub Total	-	
Total	-	
Current:		
A. Trade payables		
Dues to Micro, Small and Medium Enterprises	-	
Others	46,87,512	46,87,512
Sub Total		
B. Trade payables		
a). Total Outstanding Dues to Micro, Small and Medium Enterprises	-	-
b). Total Outstanding Dues to other than Micro, Small and Medium Enterprises	-	-
Total	46,87,512	46,87,512

Note: Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act) This information has been determined to the extent such parties have been identified on the basis of information available with the Company

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	
Principal amount remaining unpaid to any supplier as at the end of the year.	46,87,512	46,87,512
Amount of interest due remaining unpaid to any supplier as at the end of the year		
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid)		
Amount of interest accrued and remaining unpaid at the end of year.		
Amount of further interest remaining due and payable even in the succeeding year		

NOTE NO: 15 Other Financial Liabilities

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current:		
1. Investor education protection fund	-	-
2. Others:		
i. Retention money for capital projects	-	-
ii. Payable towards capital expenditure	-	-
iii. Payable towards Services received	-	-
iv. Payable towards other expenses	-	-
v. Interest accrued but no due on borrowings	-	-
Total	-	-
Current:		
1. Current Maturities of Long Term Borrowings	-	-
2. Current Maturities of finance lease obligation	-	-
3. Investor education protection fund	-	-
4. Others:		
i. Retention money for capital projects	-	-
ii. Payable towards capital expenditure	-	-
iii. Payable towards Services received	-	-
iv. Payable towards other expenses	-	-
v. Interest accrued but no due on borrowings	-	-
Total	-	-

NOTE NO: 16 Provisions

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Non-Current:		
a). Provision for Employee Benefits		
For Provident Fund	-	-
For gratuity	-	-
Provision for compensated absences	-	-
b). Others	-	-
Total	-	-
Current:		
a). Provision for Employee Benefits		
For Provident Fund	-	-
For gratuity	-	-
Provision for compensated absences	-	-
b). Others	10,65,490	10,65,490

POCHIRAJU INDUSTRIES LIMITED

Total	10,65,490	10,65,490
--------------	------------------	------------------

NOTE NO: 17 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
a). Revenue Received in Advance Advances from customers		
b). Other Payables		
Statutory Dues Payable		
Provident fund payable		
ESI contribution payable		
Interest Payable	21,44,46,349	21,44,46,349
TDS payable		
Salaries and Wages payable		
Marketing Salaries - Field Staff Payable		
Directors Remuneration Payable		
Bonus payable		
Electricity Charges Payable		
Other Expenses Payable	1,35,52,041	117,96,919
Deposits		
Listing Fee Payable	23,91,086	
Audit fee payable	50,000	50,000
Total	23,04,39,476	22,62,93,268

NOTE NO: 18 Revenue from operations

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of Products		
a). Sale of Manufactured Goods	-	-
b). Stock in Trade	-	-
Net Revenue	-	-
Revenue from Sale Service		
a). Software services	-	-
b). Other Services	-	-
Sub total	-	-
Other Operating Revenues		
a). Export Incentives	-	-
b). Royalty Received		
From subsidiaries and associates	-	-
From others	-	-
c). Scrap Sale	-	-

POCHIRAJU INDUSTRIES LIMITED

d). Others	-	-
Sub total	-	-
Total Revenue from Operations	-	-
B. Disaggregated revenue information		
Revenue from contracts with customers disaggregated based on geography		
a). Domestic	-	-
b). Export	-	-
C). Reconciliation of Gross Revenue from Contracts with Customers		
Gross Revenue	-	-
Less: Discount	-	-
Less: Returns		
Less: Price Concession	-	-
Less: Incentives and performance bonus	-	-
Less: Goods and Service Tax	-	-
Net Revenue recognised from Contracts with Customers	-	-

C1 Terms conditions on performance warranty

C2 Credit period

C3 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

NOTE NO: 19 Other Income

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Interest income		
a). Financial assets mandatorily measured at fair value through profit or loss	-	-
b). Interest income on financial assets fair valued through other comprehensive income		
-Non Convertible debentures	-	-
c). Financial assets carried at amortised cost		
Tax free bonds and government bonds	-	-
Deposits with banks and others	-	-
Subtotal (i)	-	-
Dividend Income		
a). Financial assets mandatorily measured at fair value through profit or loss	-	-
b). Equity investment designated at fair value through other comprehensive income	-	-
Subtotal (ii)	-	-
Unwinding of discount on security deposits(iii)	-	-
Government grants (iv)	-	-
Rental income on Investment Properties (v)	-	-

POCHIRAJU INDUSTRIES LIMITED

Total(i+ii+iii+iv+v)	-	-
----------------------	---	---

NOTE NO: 20 Net gain on de-recognition of financial assets at amortised cost

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Profit on sale of land and buildings	-	-
Written off of liability	-	-
Total Gain	-	-

NOTE NO: 21 Net gain on reclassification of financial assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Profit on sale of land and buildings	-	-
Written off of liability	-	-
Total Gain	-	-

NOTE NO: 22 Cost of Material Consumed

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
A. Raw Material Consumed		
Raw materials at the beginning of the year	-	-
Add: Purchases During the year	-	-
Less: Raw materials at the end of the year	-	-
Total cost of raw material consumed	-	-
(Write down value of inventories Rs. _____ and written down value of material due to obsolescence Rs___ these amount included in the cost material consumed)		
B). Packing Material		
Packing materials at the beginning of the year	-	-
Add: Purchases During the year	-	-
Less: Packing materials at the end of the year	-	-
Total cost of packing materials consumed (B)	-	-
Total cost of Materials consumed	-	-

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

NOTE NO: 23

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Opening Balance		
Finished Goods	-	-

POCHIRAJU INDUSTRIES LIMITED

Work in Progress	-	-
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	-	-
Total Opening Balnces	-	-
Closing Balance	-	-
Finished Goods	-	-
Work in Progress	-	-
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	-	-
Total Closing Balance	-	-
Total Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-

NOTE NO: 24 Employee Benefits

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Salaries, Wages, Bonus etc.	-	1,05,450
Contribution to P.F, E.S.I and Other Statutory Funds	-	-
Employee share based payment expenses	-	-
Gratuity	-	-
Leave compensation	-	-
Post-employment pension benefits	-	-
Post-employment medical benefits	-	-
Staff welfare expenses	-	-
Total Employee benefits	-	1,05,450

NOTE NO: 25 Finance Cost

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Interest and finance charges on financial liabilities carried at amortised cost		
a). Interest on Bank Borrowings	-	-
b). Interest on Bill Discounting	-	-
c). Other Interest Expenses (Bank Charges)	-	-
Less: Amount Capitalised	-	-
Total Interest on financial liabilities carried at amortised cost	-	-
Interest on Trade payables (as per MSME Act)	-	-
Interest on delayed payment of statutory dues	-	-
Unwinding of discount on provision	-	-
Exchange difference regarded as adjustment to borrowing costs	-	-
Dividend on redeemable preference shares (including	-	-

POCHIRAJU INDUSTRIES LIMITED

dividend distribution tax)		
Total Finance Cost	-	-

NOTE NO: 26 Depreciation and Amortisation Expenses

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Depreciation on plant, property and equipment	3,60,47,653	3,60,47,653
Depreciation on Investment properties	-	-
Amortisation on Intangible assets	-	-
Total depreciation and Amortisation expenses	3,60,47,653	3,60,47,653

NOTE NO: 27 Other Expenses

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Audit Fees	50,000	50,000
Conveyance	-	86,470
Electricity Charges	-	12,540
Office Maintenance	-	11,451
Printing & Stationery	11,478	32,647
Repairs & Maintenance	-	1,17,025
Telephone Expense	-	32,541
Travelling Expenses	58,064	84,741
Custody Fee	8,47,507	-
Postage & Courier	12,458	16,254
Listing Fee	23,91,086	5,26,450
Interest & Others	7,18,100	-
Advertisement	-	52,645
Professional & Consultancy Charges	33,745	46,450
Security Charges	-	26,450
Filing Fee	-	30,000
Legal Charges	-	3,26,450
Miscellaneous Expenses	23,978	24,010
Total	41,46,416	14,76,124

NOTE NO: 27.1 Payment to Auditors

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
As an Auditor		
- Audit Fees	50,000	50,000

POCHIRAJU INDUSTRIES LIMITED

- Tax Audit		
- Limited Review		
In Other Capacity		
- Taxation Matters		
- Company Law matters		
- Certification matters		
- Reimbursement of Expenses		
Total Payment to Auditor	50,000	50,000

NOTE NO: 27.2 Corporate Social Responsibility(CSR) Not Applicable to this period

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:	-	-

28. Contingent Liabilities not provided for and commitments:

The fixed assets of Bio-Pharma Division worth of Rs. 37.75 Crore (Net Book Value) and capital WIP of Bio-Pharma Division worth Rs. 26.30 Crore worth were auctioned by the lender banker for Rs.22.50 Crores under the provisions SARFEASI ACT. The company has filed writ petition in Honorable High Court of Andhra Pradesh and Telangana challenging the auction in total violation of provision of SARFEASI ACT. The financial statements are prepared without consideration of said sale. The effect sale will be considered in financial statements depending on outcome of the judgment.

29. Operating Segments (Ind AS 108)

The Company is in the process of Agriculture, Floriculture, operations in agriculture, Trading and cultivation of agricultural products, Pharmaceuticals, Bio Pharmaceuticals manufacturing and trading. The company does not have any revenue during the reporting period.

30. Events Reporting Period (Ind AS-10)

An entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

31. Construction Contracts (Ind AS -11): The company is in the business of Agriculture, Floriculture, operations in agriculture, Trading and cultivation of agricultural products, Pharmaceuticals, Bio Pharmaceuticals manufacturing and trading, hence Ind AS -11 Construction Contract not applicable.

32. Income Taxes (Ind AS 12)

Tax Expense comprises of current and deferred tax.

- **Current Tax:**

Current Tax on Income is determined and provided on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

In the year in which 'Minimum Alternative Tax '(MAT) on book profits is applicable and paid, eligible MAT credit equal to the excess of MAT paid over and above the normally computed tax, is recognized as an asset to be carried forward for set off against regular tax liability when it is probable that future economic benefit will flow to the Company within the MAT credit Entitlement period as specified under the provisions of Income Tax Act, 1961.

- **Deferred Taxes:**

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

33. Retirement and other Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method. Actuarial gains and losses for defined benefits plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

34. Related Party Disclosures (Ind AS 24):

Related Party disclosures required as per Accounting Standard (Ind AS-24) on “Related Party disclosures” issued by the Institute of Chartered Accountants of India, are as below:

a) Names of related parties and the Description of Relationship:

S.No	Name of Related Parties	Relationship
1	Sudhakar Pochiraju	Managing Director
2	Sailaja Pochiraju	Director
3	Siva Sai Sree Rama Krovvidi	Director
4	Ramaiah Abburi	Director
5	Satyanarayana Murty Suripeddi	Director

b) Related Party Transactions during the year: Nil

35. Consolidated and Separate Financial Statement (Ind AS 27):

The company has no subsidiary companies for the current reporting period. Hence consolidate and separate financial statement are not applicable.

36. Investments in Associates (Ind AS 28):

The company has not made any investments in any of its associates during the reporting period. This accounting standard has no financial impact on the financial statements for the current reporting period.

37. Interest in Joint Ventures (Ind AS 31)

The company has no interest in any Joint ventures. This accounting standard has no financial impact on the financial statements for the current reporting period.

38. Derivative instruments and un-hedged foreign currency exposure:

- a) There are no outstanding derivative contracts as at March 31, 2020 and March 31, 2019.
- b) Particulars of Un-hedged foreign currency exposure is : Nil

39. Secured Loans:

- i) Non-current Term Loan of Rs. 7,47,00,000 is secured by fixed assets and guaranteed by directors and others. The loan account became NPA and the company has defaulted in making payment.
- ii) Term Loan of Rs. 18,96,36,266 has become NPA and the company has defaulted in making the payment.
- iii) Working Capital Loan of Rs. 22,07,69,989/- is repayable on demand. The company defaulted in making the interest payment and the CC account became NPA.

40. Net Current Assets:

S. No	Particulars	As at 31 st March 2020	As at 31 st March 2019
A	Current Assets:		
1	Inventories	-	-
2	Trade Receivables	-	-

POCHIRAJU INDUSTRIES LIMITED

3	Cash and Cash equivalent	1,045	1,253
4	Current Tax Asset (Net)	-	-
5	Other Current Asset	-	-
	Total Current Assets	1,045	1,253
B	Current Liabilities:		
1	Borrowings	410,406,255	410,406,255
2	Trade Payables	4,687,512	4,687,512
3	Other Current Liabilities	230,439,476	226,293,268
4	Short term provisions	1,065,490	1,065,490
5	Current Tax Liability	3,075,426	3,075,426
	Total Current liabilities	649,674,159	645,527,951
C	Current Assets-Current Liabilities	(649,673,114)	(645,526,698)

41. Revenue from Operations:

S. No	Particulars	As at 31 st March 2020	As at 31 st March 2019
1	Sale of goods:		
	Sale of Manufactured Products	-	-
	Stock In trade	-	-
	Total	-	-
2	Revenue from Sale of Service	-	-
3	Other Operating Revenues	-	-

42. Revenue Reconciliation:

S. No	Particulars	As at 31 st March 2020	As at 31 st March 2019
1	Sale of Products”		
	Domestic	-	-
	Exports	-	-
	Gross Revenue	-	-
	Less: Discount	-	-
	Less: Returns	-	-
	Less: price Concession	-	-
	Less Incentives and Performance bonus	-	-
	Less: Goods and service Tax	-	-
	Net Revenues recognized from contracts with customers	-	-

43. Other Income:

S. No	Particulars	As at 31 st March 2020	As at 31 st March 2019
1	Interest on Deposits with With banks and Others.	-	-

44. Earnings per share:

- a) **Basic Earnings Per Share (continued operations):** there are no discontinued operations hence, EPS is presented for continued operations only.

POCHIRAJU INDUSTRIES LIMITED

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Nominal Value of Equity Shares (Rupees per Share fully paid-up) (A)	10	10
Profit after Tax (in Rs.) (B)	(4,01,94,069)	(3,76,29,227)
No of Shares outstanding as on 01.04.2019	1,89,06,675	1,89,06,675
Shares Issued During the Year	Nil	Nil
Weighted average number of Equity shares outstanding at the end of the year (C)	1,89,06,675	1,89,06,675
Earnings Per Share (in Rs.) – Basic (D = B÷C)	(2.13)	(1.99)

b). Diluted earnings per share (continued operations): There are no discontinued operations hence, EPS is presented for continued operations only.

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Nominal Value of Equity Shares (Rupees per Share fully paid-up) (A)	10	10
Profit after Tax (in Rs.) (B)	(4,01,94,069)	(3,76,29,227)
No of Shares outstanding as on 01.04.2019	1,89,06,675	1,89,06,675
Shares Issued During the Year	Nil	Nil
Weighted average number of Equity shares outstanding at the end of the year (C)	1,89,06,675	1,89,06,675
Dilutive Shares (D)	NIL	NIL
Earnings Per Share (in Rs.) – Diluted (E) (E = B÷C)	(2.13)	(1.99)

45. Details of Loans given, Investments made and Guarantee given covered Under Section 186(4) of the Companies Act, 2013.

The company has not extended any Corporate Guarantees in respect of loans availed by any company/firm as at March 31, 2020.

46. Auditors' Remuneration:

Particulars	March 31, 2020	March 31, 2019
Fees towards*		
Statutory Audit	50,000	50,000

*The fees is exclusive of GST

47. Dues to Micro Small and Medium Enterprises:

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31.03.2020.

SL No	Description	March 31, 2020
1	Principal amount due to suppliers under MSMED	NIL
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	NIL
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	NIL
4	Payment made to suppliers (other than interest) beyond the appointed day during the previous year	NIL
5	Interest paid to suppliers covered under MSMED	NIL
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	NIL

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with company.

48. Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

49. Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

50. Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company's exposure to liquidity risk is minimal as the promoters of the company is infusing the funds based on the requirements.

51. Amounts have been rounded off to nearest Rupee.

**As per our report of even date
For V. RAVI & CO.,
Chartered Accountants
Firm Registration No.006492S**

**for and on behalf of the Board
For POCHIRAJU INDUSTRIES LIMITED**

Sd/-

**CA. D. Ramesh Kumar
Partner
Membership No. 217139
Place: Hyderabad
Date: 25-06-2020**

**SUDHAKAR POCHIRAJU
Managing Director
DIN: 00164844**

**SAILAJA POCHIRAJU
Director
DIN: 01628962**