



# NAGARJUNA AGRITECH LIMITED

Farm : No. 332, Aralamallige Village, Doddaballapur (Tq), Bangalore Rural Dist.

Regd. Off : # 56, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082. INDIA

Ph. : 0091 -40-23357248

Date :12.10.2018

To

Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

Dear Sir/ Madam,

Ref: Scrip Code: 531832

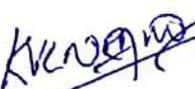
Sub: AGM Update / Submission of Annual report under Regulation 34 of SEBI (LODR),  
Regulations, 2015.

We refer to above subject and herewith enclose the Annual Report for the financial year ended 31<sup>st</sup> March, 2018, adopted in the 30th Annual general meeting of the Company held on Saturday , 29th September, 2018 at 11:30 A.M at Registered Office of the Company situated at Plot No. 56, Nagarjuna Hills, Panjagutta, Hyderabad – 500082.

This is for your record and dissemination.

Thanking you

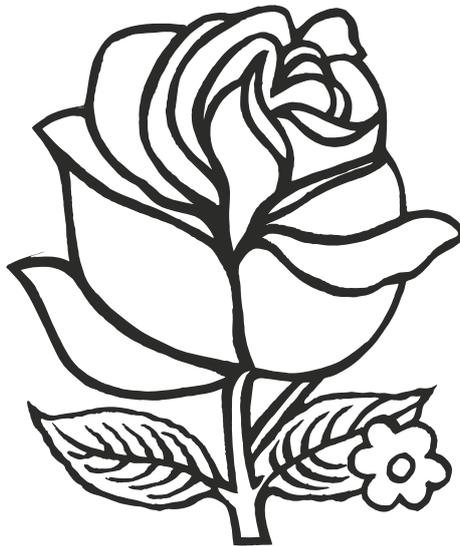
For Nagarjuna Agri-Tech Limited

  
Dr. K V L N Raju  
Managing Director  
DIN: 00116664





**NAGARJUNA**  
**AGRITECH LIMITED**



30th ANNUAL REPORT

2017-2018

***Board of Directors***

<b>Dr. K.V.L.N. Raju</b>	-	<b>Managing Director</b>
<b>Sri K. Soma Raju</b>	-	<b>Director</b>
<b>Sri K. Ravindra</b>	-	<b>Director</b>
<b>Sri N. Viswanatha Raju</b>	-	<b>Director</b>
<b>Smt. N. Rama Devi</b>	-	<b>Director</b>

**AUDITORS**

**M/s Brahmayya & Co.,**  
Chartered Accountants  
Adoni - 518301.

**R & T AGENT**

**XL Softech System Ltd.**

#3, Sagar Society, Road No. 2, Banjara Hills,  
Hyderabad - 500 034. Ph : 2354 5913 / 14 / 15

**PRINCIPAL BANKERS AND FINANCIAL INSTITUTION**

**Corporation Bank** - Banjara Hills Branch, Hyderabad.

**REGISTERED OFFICE :**

No. 56, Nagarjuna Hills,  
Punjagutta,  
Hyderabad - 500 082.  
Telefax : 040-23357248  
E-mail : natl@rediffmail.com

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**NAGARJUNA AGRI TECH LIMITED**  
**PLOT NO 56, Nagarjuna Hills, punjagutta, Hyderabad 500 082**

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, 29<sup>th</sup> September, 2018 at 11:30 A.M at Registered Office of the Company situated at Plot No. 56, Nagarjuna Hills, Panjagutta, Hyderabad – 500082 to transact the following business:

**Ordinary Business:**

1. To receive, Consider and adopt the Audited Financial statement for the year ended 31.03.2018 along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N.Viswanadha Raju (DIN: 00119584) who retires by rotation and being eligible, offers himself, for re-appointment.

By order of the Board  
For Nagarjuna Agri Tech Limited

Place: Hyderabad  
Date: 14.08.2018

(Dr. K V L N Raju)  
Managing Director  
DIN: 00116664

**Notes:**

1. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in. Members holding shares in D- mat form shall write their Client ID and DP ID No. and those holding in Physical form to write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
2. The Register of Members and Share Transfer books of the company will remain closed from Monday , 24<sup>th</sup> September 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
3. *A member entitled to attend the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. A person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder.*
4. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

5. Members seeking any information with regard to accounts for the financial year ended 31<sup>st</sup> March 2018 may send their queries to the company at least 10 days before the meeting, in order to enable the Management to keep the information ready at the Meeting.
6. In case there is any correction/change in your address registered with us, we request you to communicate the same to us/Company's R & T Agent, whose address is given elsewhere in this Annual Report.
7. Your company's securities are listed with the Stock Exchange, Mumbai (BSE).
8. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. The e-voting period commences on Wednesday, 26<sup>th</sup> September, 2018 (9.00 am IST) and ends on Friday, 28<sup>th</sup> September, 2018 (5.00 pm IST). During this period the shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 22<sup>th</sup> September, 2018, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
10. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
11. The shareholders should log on to the e-voting website <https://www.evotingindia.com/>.
12. The Board of Directors has appointed Mr. K. V. Chalama Reddy (Membership No. F9268), Practicing Company Secretary as the scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
13. The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding three (3) days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.
14. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
15. Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on Company's website and on the website of CDSL, and communicated to BSE Limited, where the shares of the Company are listed for placing the same in their website.
16. The Companies Act, 2013 provides for the facility of nomination to the members in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to Registered Office of the Company. The forms are available at the Regd. Office.

**DIRECTORS' REPORT**

**Dear Members**

Your Directors hereby present their 30<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2018.

**Financial Summary:**

The performance of the Company for the Financial Year ended 31<sup>st</sup> March 2018 is as under:

(Rupees in Lakhs)

Particulars	2017-18	2016-17
<b>Turnover</b>	305.17	202.6
Manufacturing Administrative and selling Expenditure	273.67	134.8
Depreciation		--
Profit/Loss before Taxation, before non-recurring /Extra Ordinary items	31.50	59.2
Provisions for Taxation	-	--
<b>Profit/Loss after Taxation, before non-recurring/Extra Ordinary items</b>	31.50	59.2
Prior Period Adjustments	-	--
<b>Profit/Loss after Taxation and non-recurring/Extraordinary items</b>	31.50	59.2

**Review of Operations and State of Company's Affairs:**

During the financial year under review, the company achieved a revenue of Rs.305.17 lakhs as against Rs. 202.6 Lakhs in the previous year thereby achieving a growth of 50.64%. The net profit for the year ending 31st March 2018, decreased from Rs. 59.20 Lakhs to 31.50 Lakhs showing a reduction of 46.79%

**Future Outlook:**

The future prospects of the Company and industry outlook are given in the Management Discussion and analysis report.

**Transfer of Amount to Reserves:**

The Company does not propose to transfer any amount to General Reserves for the financial year ended 31<sup>st</sup> March, 2018.

**Dividend:**

Your Directors express their inability to recommend any dividend for the year under review due to insufficient disposable income.

**Share Capital:**

There is no change in the share capital of the Company during the year 2017-18

**Change in the nature of business:**

There is no change in the nature of business of the Company.

**Subsidiary Companies and Consolidation of Financial Statements:**

There are no subsidiary companies

**Indian Accounting Standards –IndAs:**

The Ministry of Corporate Affairs vide its notification dated 16<sup>th</sup> February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company has adopted Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IndAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame.

**Corporate Governance:**

Pursuant to Sub-regulation (2) of regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Corporate Governance as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to your Company. Hence, the Company has not given the Report on Corporate Governance in the Annual Report.

**Disclosure under Schedule V of the SEBI (LODR) Regulations, 2015:**

**a. Related Party Disclosures:**

Sl.No.	Particulars	For the Year Ended March 31, 2018
(i)	Remuneration Remuneration paid to managing Director	4,71,748
(ii)	Reimbursement of Expenses Reimbursement of Travelling Expenses to managing Director	1,96,096

**b. Management Discussion and Analysis Report:**

Pursuant to Sub-regulation (2) of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the management discussion and analysis Report is given as *Annexure-I* to the report

**c. Disclosures with respect to demat suspense account/unclaimed suspense account:**

The Company does not have any equity shares in suspense account

**Extracts of Annual Return:**

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as *Annexure – II* to this Report.

**Directors:**

**1. Director(s) to retire by rotation:**

Mr. Viswanadha Raju (DIN: 00119584) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**2. Changes in Directorship**

During the year under review, there were no changes in directors of the Company.

**3. Independent Directors:**

In terms of Sections 149,152 read with Schedules IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Director can hold office for a term of up to five (5) consecutive years on the Board of Directors of the Company and will not be liable to retire by rotation.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149(6) of the Act read with Regulation 16(b) SEBI (LODR) Regulations 2015.

**4. Evaluation of performance of the Board of Directors:**

Pursuant to the provisions of the Act, and Listing Regulations, the Board has carried out the evaluation of its own performance and Committees of the Board, the performances of Directors individually, the Executive Director, the Chairman of the Board etc. Various parameters as recommended in the guidance note issued by the Institute of Company Secretaries of India, were considered for evaluation and after receiving the inputs from the Directors, the performance evaluation exercise was carried out. The parameters include integrity, credibility, expertise and trustworthiness of Directors, Board s monitoring of various compliances, laying down and effective implementation of various policies, level of engagement and contribution of the Directors, safeguarding the interest of all stakeholders etc. The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was carried out by the Board. The Directors expressed their satisfaction with the evaluation process.

**5. Familiarization Programme for the Independent Directors:**

In compliance with the requirement of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The same is available on the website of the Company i.e., <http://www.nagarjunaagritechlimited.com>. Through the Familiarization programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. These Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices. At the time of appointment of Independent Director, a formal letter of appointment is given to him, which explains his role, responsibility and rights in the Company.

**Number of Meetings of the Board:**

During the financial year 2017-18, four meetings of Board of Directors were held. The dates of the meetings were 29<sup>th</sup> May, 2017, 29<sup>st</sup> August, 2017, 07<sup>th</sup> December, 2017 and 10<sup>th</sup> February 2018.

**Particulars of Loans, Guarantees or Investments by the Company:**

The details of Loans, Guarantees, and Investments given during the Financial Year ended on 31<sup>st</sup> March, 2017 in terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.-NIL

**Nomination and Remuneration Policy:**

Pursuant to Section 178(3) of the Act, the Company has adopted a policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualification, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Listing Regulations. The details about Committee including the brief description of its terms of reference are given in the Corporate Governance Report.

**Statement of Particulars of Appointment and Remuneration of Managerial Personnel:**

The Company has not paid any remuneration to Managerial personnel, hence disclosures as specified in sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable

**Particulars of Contracts or Arrangements with Related Parties:**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 and to be prepared in Form No. AOC-2 and to be disclosed pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in this report : NIL.

**Audit Committee:**

The Company's audit committee comprises of the following:

- |                      |   |          |
|----------------------|---|----------|
| 1. Mr. K. Soma Raju  | - | Chairman |
| 2. N Viswanatha Raju | - | Member   |
| 3. K Ravindra        | - | Member   |

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

**Directors Responsibility Statement:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

The Board of Directors states:

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2018 on a "Going Concern" basis.
- 5) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Auditors**

**1. Statutory Auditors and Audit Reports:**

The members of the Company at their 29<sup>th</sup> Annual general meeting held on 29.09.2017 appointed M/s. BRAHMAYYA & CO, Chartered Accountants, Adoni (Firm Registration No.000514S) as statutory Auditors of the Company, in terms of section 141 of the Act read with Rule 4 of the Rules, to hold office for a period of five consecutive years from the conclusion of this 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting, to be held in the calendar year 2022 (subject to ratification of their appointment by the members of the Company at every Annual General Meeting held after this Annual General Meeting), in compliance with mandatory rotation of auditors as specified in the section 139 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014

Since, the provision relating ratification of appointment of auditors omitted by the Companies (Amendment ) Act,2017( effective from 7<sup>th</sup> May 2018) , the company need not place the such appointment for ratification by members at annual general meeting:

Exceptions/ Modifications/ Adaptations

The Auditors Report does not contain any qualification, reservation, or adverse remark for the year 2017-18

## **2. Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the rules made there under, the Company has appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary as Secretarial Auditor to undertake the Secretarial Audit of the company for the financial year ended on 31<sup>st</sup> March, 2018.

Secretarial Audit Report issued by Practicing Company Secretary in Form MR-3 is enclosed as Annexure- III to this Annual Report.

With reference to Qualifications in the report regarding non- compliances in respect of appointment of Key Managerial Personnel and advertisement of board meeting notices and publication of quarterly financial results of the Company due to bad financial position of the Company, the Company could not comply with the same .

Regarding the SCORE authentication, the Company has already submitted the necessary application to SEBI and it is in the process of the getting the same

### **Details in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statements:**

The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flows of organization is being done through the approved policies of the Company. Internal Auditors will present to the Audit Committee the Internal Audit Report and Management Comments on the Internal Audit observations.

**Vigil Mechanism:**

The Board of Directors of the Company has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases.

**Risk Management Policy:**

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on a periodical basis at the time of review of Quarterly Financial Results of the Company.

**Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trained) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during each calendar year:

- A) No. of Complaints received – NIL
- B) No. of Complaints disposed off - NIL

**Corporate Social Responsibility (CSR):**

Provisions of Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility were not applicable to the Company for the year 2017-18

**Material Changes and Commitments:**

There are no Material Changes and Commitments impacting the going concern status and Company's operations in future.

**Significant and Material Orders passed by the Regulators or Courts:**

During the year, the Company has not received any significant and material orders passed from Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

**Deposits:**

The Company has not invited/accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 during the Financial Year 2017-18.

**Conservation of Energy and Technology Absorption:**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as *Annexure –IV* to this Report.

**Foreign Exchange Earnings and Outgo:**

	<b>(Rs. In Lakhs)</b>	
<b>Foreign Exchange:</b>	<b>2017-18</b>	<b>2016-17</b>
Foreign Exchange Inflow	196.24	128.04
Foreign Exchange Outflow	0	0

**ACKNOWLEDGEMENTS:**

The company places on record continued support and cooperation extended by the Banks, Central and state government departments, Dealers, customers, suppliers and shareholders. The Company also places on record the deep sense of appreciation for the dedicated efforts and contribution being made by employees at all levels during the year.

**For and on behalf of the Board**

**Date: 14.08.2018**  
**Place: Hyderabad**

**K. Soma Raju**  
**Director**  
**DIN: 00018539**

**Dr. K V L N Raju**  
**Managing Director**  
**DIN: 00116664**

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**  
(Forms part of Director's Report)

Annexure-I

***Strengths & Opportunities:***

Company is still in the process of exploring the possibility of water resources to get better yields to get back routine products like earlier.

Karnataka State Government support in subsidizing for the replacement of poly sheets and also on planting material, power tariff like other states Maharashtra through SIFA (south Indian floriculture association) Bangalore.

Company is also in the process of developing new varieties to suit international markets particularly countries like Japan.

The demand for the Floriculture products not only worldwide even locally (Indian markets) has increasing. Still the problem on drought situation prevailed for more than 6 years.

***Risks & weakness:***

Professional competence has improved a lot. After lease agreement got terminated company is operating on its own in a professional way and trying for other export markets for better price realisations.

Still Unforeseen natural hazards, foreign exchange fluctuations, policies like import and export could have an impact on the performance and profitability of the company. Still the threat from other countries like china , Kenya and Ethiopia. at competitive prices has threat to this Industry always.

High turnover and experienced, skilled and competent man power.

Central Government air freight subsidies from APEDA not receiving on time/substantial delays will also affect company performance.

***Varieties:***

Floriculture products mainly consist of cut flowers, pot plants, cut foliage, seeds bulbs, tubers, rooted cuttings and dried flowers or leaves. The important floricultural crops in the international cut flower trade are rose, carnation, chrysanthemum, gagera, gladiolus, gypsophila, liastris, nerine, orchids, archilea, anthuriu, tulip, and lilies. Floriculture crops like gerberas, carnation, etc. are grown in green houses. The open field crops are chrysanthemum, roses, gaillardia, lily marygold, aster, tuberosa etc.

***Floriculture in India***

Floriculture is an age old farming activity in India having immense potential for generating gainful self-employment among small and marginal farmers. In the recent years it has emerged as a profitable agri-business in India and worldwide as improved standards of living and growing consciousness among the citizens across the globe to live in environment friendly atmosphere has led to an increase in the demand of floriculture products in the developed as well as in the developing countries worldwide. The production and trade of floriculture has increased consistently over the last 10 years. In India, Floriculture industry comprises flower trade, production of nursery plants and

potted plants, seed and bulb production, micro propagation and extraction of essential oils. Though the annual domestic demand for the flowers is growing at a rate of over 25% and international demand at around Rs 90,000 crore India's share in international market of flowers is negligible. However, India is having a better scope in the future as there is a shift in trend towards tropical flowers and this can be gainfully exploited by country like India with high amount of diversity in indigenous flora.

After liberalization the Government of India identified floriculture as a sunrise industry and accorded it 100 percent export oriented status. The liberalization of industrial and trade policies paved the way for the development of export oriented production of cut flowers. The new seed policy has already made it feasible to import planting material of international varieties. Floriculture products mainly consist of cut flowers, pot plants, cut foliage, seeds bulbs, tubers, rooted cuttings and dried flowers or leaves. The important floricultural crops in the international cut flower trade are rose, carnation, chrysanthemum, gerbera, gladiolus, orchids, anthurium, tulip and lilies.

### **Marketing**

In India Marketing of cut flowers is much unorganized. In most of the Indian cities flowers are brought to wholesale markets, which mostly operate in open yards. From here the flowers are distributed to the local retail outlets which more often than not operate in the open on-road sides, with different flowers arranged in large buckets. In the metropolitan cities, however, there are some good florist show rooms, where flowers are kept under controlled temperature conditions, with considerable attention to value added service. The government is now investing in setting up of auction platforms, as well as organized florist shops with better storage facilities to prolong shelf life. The packaging and transportation of flowers from the farms to the retail markets at present is very unscientific. The flowers, depending on the kind, are packed in gunny bags, bamboo baskets, simple cartons or just wrapped in old newspapers and transported to markets by road, rail or by air. However, the government has provided some assistance for buying refrigerated cargos and built up a large number of export oriented units with excellent facilities of pre-cooling chambers, cold stores and reefer vans.

### **Export Constraints**

In spite of an abundant and varied production base, India's export of floricultural product is not encouraging. The low performance is attributed to many constraints like non-availability of air space in major airlines. The Indian floriculture industry is facing with a number of challenges mainly related to trade environment, infrastructure and marketing issues such as high import tariff, low availability of perishable carriers, higher freight rates and inadequate refrigerated and transport facilities. At the production level the industry is faced with challenges mostly related to availability of basic inputs including quality seeds and planting materials, efficient irrigation system and skilled manpower. In order to overcome these problems, steps must be taken to reduce import duty on planting material and equipment, reduce airfreight to a reasonable level, provide sufficient cargo space in major airlines and to establish model nurseries for supplying genuine planting material. Training centres should be established for training the personnel in floriculture and allied areas. Exporters should plan and monitor effective quality control measures right from production to post harvesting, storage, and transportation.

### **Demand and Supply**

The demand for flowers is seasonal as it is in most countries. The demand for flowers has two components: a steady component and a seasonal component. The factors which influence the demand are to some extent different for traditional and modern flowers.

(i) Traditional Flowers:

The steady demand for traditional flowers comes from the use of flowers for religious purposes, decoration of homes and for making garlands and wreaths. This demand is particularly strong in Kerala, Karnataka, Tamil Nadu, Odisha and West Bengal, as the use of flowers for above mentioned purposes is part of their local culture. The bulk of seasonal demand comes from festivals and marriages. The demand is generally for specific flowers.

(ii) Modern Flowers:

The bulk of the steady demand for modern flowers comes from institutions like hotels, guest houses and marriage gardens. The demand is concentrated in urban areas. With increasing modernization and globalization the demand for modern flowers from the individual consumers is likely to grow enormously as the trend of “say it with flowers” is increasing and the occasions which call for flower giving will continue to present themselves. Although there is an increasing demand for modern flowers from individuals, institutions continue to be the dominant buyers in the market. The price of these flowers also depends on their demand and varies accordingly.

### ***Risks & weakness:***

Professional competinace has improved a lot. After lease agreement got terminated last year company is operating on its own in a professional way and trying for other export markets like Japan for better price realisations.

Still Unforeseen natural hazards, foreign exchange fluctuations, policies like import and export could have an impact on the performance and profitability of the company. Still the treat from other countries like china , Kenya and Ethiopia. at competitive prices has threat to this Industry always.

High turnover and experienced, skilled and competent man power.

Central Government air freight subsidies from APEDA not receiving on time/substantial delays will also affect company performance.

**Annexure -II**

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2018</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

I	CIN	L01119AP1987PLC007981
ii	Registration Date	24/11/1987
iii	Name of the Company	NAGARJUNA AGRI-TECH LIMITED
Iv	Category/Sub-category of the Company	Public company limited by Shares
V	Address of the Registered office & contact details	56, NAGARJUNA HILLS, PANJAGUTTA, HYDERABAD  Email Id: natl@rediffmail.com
vi	Whether listed company	Yes
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	XL Softech Systems Limited # 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad- 500034 Phone No.: 23545912/13/14

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Floriculture	631000	100%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES : NIL**

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):**

**i. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year 1 <sup>st</sup> , April, 2017				No. of Shares held at the end of the year 31 <sup>st</sup> March, 2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	4,47,040	--	4,47,040	4.77	4,76,206	-	4,76,206	5.08	0.31
b) Central Govt.or State Govt.	-	--	-	-	--	--	--	--	--
c) Bodies Corporates	24,58,405		24,58,405	26.24	24,58,405	-	24,58,405	26.24	0
d) Bank/FI	-	-	-	-	--	--	--	--	-
e) Any other	-	-	-	-	--	--	--	--	-
<b>SUB TOTAL:(A)</b>									
<b>(1)</b>	29,05,445	--	29,05,445	31.01	29,34,611	-	29,34,611	31.32	0
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-					-
b) Other Individuals	-	-	-	-					-
c) Bodies Corp.	-	-	-	-					-
d) Banks/FI	-	-	-	-					-
e) Any other...	-	-	-	-					-
<b>SUB TOTAL (A)</b>									
<b>(2)</b>	-	-	-	-					-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>29,05,445</b>	<b>--</b>	<b>29,05,445</b>	<b>31.01</b>	<b>29,34,611</b>	<b>-</b>	<b>29,34,611</b>	<b>31.32</b>	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	49,500	49,500	0.53	--	49,500	49,500	0.53	-
b) Banks/FI	-	2,50,000	2,50,000	2.67	--	2,50,000	2,50,000	2.67	-
C) Central govt	-	-	-	-					-
d) State Govt.	--	-	-	-					-

e) Venture Capital Fund	-	-	--	-					-
f) Insurance Companies	-	-	-	-					-
g) FIIS	-	-	-	-					-
h) Foreign Venture Capital Funds	-	-	-	-					-
i) Others (specify)	-	-	-	-					-
<b>SUB TOTAL (B)(1):</b>	<b>--</b>	<b>2,99,500</b>	<b>2,99,500</b>	<b>3.20</b>	<b>--</b>	<b>2,99,500</b>	<b>2,99,500</b>	<b>3.20</b>	<b>--</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	39,31,047	95,600	40,26,647	42.98	38,97,355	95,600	39,92,955	42.61	(0.37)
ii) Overseas	-	-	-	-					-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	7,85,808	11,59,300	19,45,108	20.76	9,09,925	11,71,700	20,81,625	22.22	1.46
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	1,13,100	26,900	1,40,000	1.50	-	-	-		(1.50)
c) Others (specify) NRI	52,400	--	52,400	0.56	60,409	--	60,409	0.64	0.08
<b>SUB TOTAL (B)(2):</b>	<b>48,82,355</b>	<b>12,81,800</b>	<b>61,64,155</b>	<b>65.79</b>	<b>48,67,689</b>	<b>12,67,300</b>	<b>61,34,989</b>	<b>65.48</b>	<b>(0.31)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>48,82,355</b>	<b>15,81,300</b>	<b>64,63,655</b>	<b>68.99</b>	<b>48,67,689</b>	<b>15,66,800</b>	<b>64,34,489</b>	<b>68.68</b>	<b>(0.31)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>48,82,355</b>	<b>44,86,745</b>	<b>9369100</b>	<b>100</b>	<b>48,67,689</b>	<b>45,01,411</b>	<b>93,69,100</b>	<b>100</b>	<b>-</b>

(ii) **SHARE HOLDING OF PROMOTERS.**

Sl No.	Shareholders Name	Shareholding at the beginning of the year 1st April,2017			Shareholding at the end of the year 31 <sup>st</sup> March,2018			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Jinnur Investment Pvt Ltd	21,33,405	22.77	0	21,33,405	22.77	0	0.00
2	Krishna Holdings Pvt Ltd	3,25,000	3.47	0	3,25,000	03.47	0	0.00
3	K V L N Raju	4,42,539	4.73	0	4,71,705	05.03	0	0.31
4	Lakshmi Raju K	4,501	0.05	0	4,501	0.05	0	0.00
<b>Total</b>		<b>29,05,445</b>	<b>31.01</b>	<b>0</b>	<b>29,34,611</b>	<b>31.32</b>	<b>0</b>	<b>0.31</b>

(iii) **SPECIFY IF THERE IS NO CHANGE IN PROMOTERS' SHAREHOLDING CHANGE**

Sl.No	Particulars	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2017		Cumulative Shareholding during the year 31 <sup>st</sup> March, 2018		% change in shareholding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	K V L N Raju	4,42,539	4.73	4,71,705	05.03	0.31
Total		4,42,539	4.73	4,71,705	05.03	0.31

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl.No	Name of the share holder	Shareholding at the beginning of the year 1st April,2017	Shareholding at the end of the year 31 <sup>st</sup> March,2018	% of Change
01	Subhkam Ventures (I) Pvt Ltd	34,14,200	34,14,200	--
02	Jyoti Vikas Kasat	30,100	30,100	--
03	Stock Trust Securities ( India ) Private	3,33,024	3,33,024	--
04	KSSIDC	2,50,000	2,50,000	--
05	ANS Pvt Limited	90,500	90,500	--
06	R S T Holdings Pvt Ltd	65,600	65,600	--
07	YMSH management consultants LLP	50,000	50,000	--
08	Stock Holding Corporation of India Ltd	49,500	49,500	--
09	Raees Hasan	31,000	31,000	--
10	Indu Devi	28,400	28,400	--

(v) **Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 1st April,2017		Shareholding at the end of the year 31 <sup>st</sup> March,2018	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Dr. K V L N Raju	4,42,539	4.73	4,71,705	05.03

**VI. Remuneration of Directors and Key Managerial Personnel:**

		<b>2017-18</b>
(1)	<b>Remuneration</b> Remuneration paid to Managing Director	<b>4,71,748</b>

**VII. Penalties/Punishment/Compounding of Offences:** The Bombay Stock Exchange , imposed penalties for delay filing certain documents in terms of the listing agreement , the Company has submitted its requests for waiver of the same on filing required documents to stock exchange.

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2018**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**NAGARJUNA AGRI-TECH LIMITED**  
Hyderabad

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by **NAGARJUNA AGRI-TECH LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 (“Audit Period”) according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 („SCRA ) and the rules madethere under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *not applicable during the audit period*
  - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 („SEBI Act ) viz.-:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *not applicable during the audit period*
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *not applicable during the audit period*
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *not applicable during the audit period*
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *not applicable during the audit period*
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) In view of the Management, there were no specific industrial acts applicable to the Company.
- (vii) I have also examined compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of General and Board meetings of the Company

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except as mentioned below:

**01. The Company has not appointed key managerial personnel in terms of Section 203 of the Companies Act 2013 and rules madetherunder.**

**02. The Company has not appointed a company secretary as compliance officer of the Company in terms of Regulation 6 of the SEBI (LODR) Regulations, 2015**

**03. The Company has not arraned the advertisement of notice of board meetings in the news papers for announce of quarterly results and alos publication of financial results**

**04. The Company has not obtained the SCORES authentication in terms of SEBI Circular No.CIR/01AE/1/2014 dated Decemebr 18, 2014.**

3. I, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. There were no changes made in the composition of the Board of Directors during the year under review.
  - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
4. I, further report that there exist systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
5. I, further report that during the audit period, there were no specific events / actions having a major bearing on the company s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Hyderabad  
Date: 14.08.2018

K . V . Chalama Reddy  
Practising Company Secretary  
M. No: F9268, C.P. No: 5451

This report is to be read with my letter of even date which is given as Annexure „A and forms an integral part of this report.

Annexure „A to Secretarial Audit Report

To,  
The Members,  
Nagarjuna Agri Tech Limited  
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: **Hyderabad**  
Date: 14.08.2018

**K . V. Chalama Reddy**  
Practising Company Secretary  
M. No: F9268; C.P. No: 5451

**Annexure-IV**

**The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3) (m) of the Companies act, 2013 read with the Companies (Accounts) Rules, 2014**

	Current Year	Previous Year
	2017-18	2016-17
<b><u>A. Power and Fuel Consumption:</u></b>		
<b>1. Electricity:</b>		
<b>a). Purchased:</b>		
Units (KWH)	-	-
Total Amount (in Lakhs)	-	-
Average rate per Unit (Rs.)	-	-
<b>b). Own Generation:- through Diesel Generator:</b>		
Units generated(KWH)	-	-
Total Amount (in Lakhs)	-	-
Rate per Unit (Rs.)	-	-
<b>2. Coal</b>		
Quantity (MTs)	-	-
Total Amount (in Lakhs)	-	-
Average rate per Unit (Rs.)	-	-
<b><u>B. Consumption per unit of Production</u></b>		
Production Cement (MTs)	-	-
Electricity (Kwh)	-	-
Coal (MTs)	-	-

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
NAGARJUNA AGRITECH LIMITED**

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

We have audited the accompanying IndAS financial statements of **NAGARJUNA AGRITECH LIMITED**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement 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 IndAS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018 ;
- b) in the case of the Profit and Loss statement, of the Profit for the year ended on that date;
- c) in the case of the cash flow statement , of the cash flows for the year ended on that date

#### **Other matter:**

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016 have been audited by the predecessor auditor on which they have expressed an unmodified opinion. We have restated the comparative financial information to comply with Ind AS. Adjustments made to the said financial information to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (,the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the ,Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015 as amended .
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g. 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. Other than the items mentioned in Note No 24 of this financial statement, the Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Brahmayya & Co .,**  
Chartered Accountants  
FRN:0000514S

**B.Daivadheenam Reddy**  
Partner  
ICAI Membership No. : 026450

Place : Hyderabad  
Date : 21 May 2018

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- i. In respect of the company's Fixed Assets
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets are physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In respect of Inventories:

The company conducts physical verification of inventories at regular intervals and no material discrepancies have been noticed.
- iii. The Company has not granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public covered under section 73 of Companies Act 2013.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- viii. The Company does not have loans and borrowings from financial institutions and banks.
- ix. The Company did not raise any money by way of initial public offer or further public

offer (including debt instruments) and have not raised funds by way of term loans during the year.

- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has not provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Brahmayya & Co.,**  
Chartered Accountants  
FRN:0000514S

**B.Daivadheenam Reddy**  
Partner  
ICAI Membership No. : 026450

Place: Hyderabad  
Date: 21 May 2018

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of NAGARJUNA AGRITECH LIMITED (the Company') as of 31<sup>st</sup> March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Brahmayya & Co.,**  
Chartered Accountants  
FRN:0000514S

**B.Daivadheenam Reddy**  
Partner  
ICAI Membership No. : 026450

Place: Hyderabad  
Date: 21 May 2018

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in `)				
Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3	2,89,19,784	2,52,29,435	2,58,45,181
(b) Financial assets				
Investments	4	1,07,57,358	1,07,57,358	-
(c) Other non-current assets	5	58,00,000	58,00,000	1,92,56,300
		<b>4,54,77,142</b>	<b>4,17,86,793</b>	<b>4,51,01,481</b>
<b>Current assets</b>				
(a) Financial Assets				
(i) Trade receivables	6	41,18,017	66,51,540	-
(ii) Cash and cash equivalents	7	19,44,964	6,72,408	27,256
(iii) Other Financial Assets	8	19,63,044	11,48,556	10,92,256
(b) Inventories		2,52,000	-	-
(c) Other current assets	9	3,76,120	2,35,771	2,35,771
		<b>86,54,145</b>	<b>87,08,275</b>	<b>13,55,283</b>
<b>Total Assets</b>		<b>5,41,31,287</b>	<b>5,04,95,068</b>	<b>4,64,56,764</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	10	9,36,91,000	9,36,91,000	9,36,91,000
(b) Other Equity	11	(4,20,66,822)	(4,52,16,503)	(4,84,93,471)
		<b>5,16,24,178</b>	<b>4,84,74,497</b>	<b>4,51,97,529</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables				
(a) Total outstanding dues of micro		-	-	-
(b) Total outstanding dues of Creditors other				
than micro enterprises and small enterprises	12	12,93,506	5,08,333	1,00,000
(ii) Other financial liabilities	13	6,85,501	15,12,238	9,92,568
(b) Other current liabilities	14	5,28,102	-	1,66,667
		<b>25,07,109</b>	<b>20,20,571</b>	<b>12,59,235</b>
<b>Total Equity and Liabilities</b>		<b>5,41,31,287</b>	<b>5,04,95,068</b>	<b>4,64,56,764</b>
General Information	1			
Summary of Significant Accounting Policies	2			

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For Brahmaya & Co.,**  
Chartered Accountants  
Firm's Regn.No.0005145

**For and on behalf of the Board**

**Dr. K. V. L. N. RAJU**  
Managing Director  
DIN : 00116664

**K. SOMA RAJU**  
Director  
DIN : 00018539

**B.Daivadheenam Reddy**  
Partner  
Membership No.026450

**N. VISWANADHA RAJU**  
Director  
DIN : 00119584

Place : Hyderabad  
Date : 21 May 2018

Place : Hyderabad  
Date : 21 May 2018

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

		(Amount in `)	
Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from Operations	15	3,01,87,033	2,00,90,968
II. Other Income	16	3,30,010	1,66,667
III. <b>Total Income (I + II)</b>		<b>3,05,17,043</b>	<b>2,02,57,635</b>
IV. Expenses			
Purchase of Stock in Trade		20,08,419	17,24,551
Changes in Inventory		(2,52,000)	-
Employee Benefit Expenses	17	19,18,125	9,96,866
Depreciation and amortisation expense	3	14,21,717	8,58,536
Other expenses	18	2,22,71,101	1,07,58,072
<b>Total expenses (IV)</b>		<b>2,73,67,362</b>	<b>1,43,38,025</b>
V. Profit/(Loss) before tax (III - IV)		<b>31,49,681</b>	<b>59,19,610</b>
VI. Tax Expenses:			
a. Current Tax		-	-
b. Deferred tax liability /(Asset)		-	-
<b>Total Tax Expenses (VI)</b>		<b>-</b>	<b>-</b>
VII. Profit for the period (V - VI)		<b>31,49,681</b>	<b>59,19,610</b>
VIII. Other Comprehensive income			
i. Items that will not be reclassified subsequently to profit or loss		-	(26,42,642)
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
		<b>-</b>	<b>(26,42,642)</b>
IX. Total Comprehensive Income for The Period (VII + VIII)		<b>31,49,681</b>	<b>32,76,968</b>
X. Earnings per equity share from Continuing operations:	19		
Basic and Diluted		<b>0.34</b>	<b>0.63</b>
General Information	1		
Summary of Significant Accounting Policies	2		

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

As per our report of even date

**For Brahmayya & Co.,**  
Chartered Accountants  
Firm's Regn.No.000514S

**For and on behalf of the Board**

**Dr. K. V. L. N. RAJU**  
Managing Director  
DIN : 00116664

**K. SOMA RAJU**  
Director  
DIN : 00018539

**B.Daivadheenam Reddy**  
Partner  
Membership No.026450

**N. VISWANADHA RAJU**  
Director  
DIN : 00119584

Place : Hyderabad  
Date : 21 May 2018

Place : Hyderabad  
Date : 21 May 2018

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018**

	(Amount in `)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I. Cash flow from operating activities:</b>		
A. Profit/(Loss) before tax	31,49,681	59,19,610
B. Adjustment for non-cash transactions:		
a. Depreciation and amortization expenses	14,21,717	8,58,536
	<b>14,21,717</b>	<b>8,58,536</b>
C. Adjustment for changes in working capital:		
a. Decrease / (increase) in inventories	(2,52,000)	-
b. Decrease / (increase) in trade receivables	25,33,523	(66,51,540)
c. Decrease / (increase) in other bank balances	-	-
d. Decrease / (increase) in other financial assets (Excluding fair value income)	(8,14,488)	(56,300)
e. Decrease / (increase) in other current and non-current assets	(1,40,349)	-
f. (Decrease) /Increase in trade payables	7,85,173	5,08,333
g. (Decrease) /Increase in other financial term liabilities	(8,26,737)	5,19,670
h. (Decrease) /Increase in other current liabilities	5,28,102	(1,66,667)
	<b>18,13,224</b>	<b>(58,46,504)</b>
E. Cash generated from operations (A+B+C+D)	<b>63,84,622</b>	<b>9,31,642</b>
Less: Direct taxes (paid )/net of refunds	-	-
<b>Net cash flow from operating activities (I)</b>	<b>63,84,622</b>	<b>9,31,642</b>
<b>II. Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	(51,12,066)	(2,42,790)
b. Share Application Money returned	-	1,34,56,300
c. Investment in Equity Shares	-	(1,34,00,000)
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>(51,12,066)</b>	<b>(1,86,490)</b>
<b>III. Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>12,72,556</b>	<b>7,45,152</b>
Cash and cash equivalents at the beginning of the year	6,72,408	27,256
<b>IV. Cash and cash equivalents at the end of the year</b>	<b>19,44,964</b>	<b>7,72,408</b>
<b>V. Components of cash and cash equivalents:</b>		
Cash in Hand	8,83,688	2,15,395
Balance with banks	10,61,276	4,57,013
<b>Total cash and cash equivalents</b>	<b>19,44,964</b>	<b>6,72,408</b>

**For Brahmayya & Co.,**  
Chartered Accountants  
Firm's Regn.No.000514S

**B.Daivadheenam Reddy**  
Partner  
Membership No.026450

Place : Hyderabad  
Date : 21 May 2018

**For and on behalf of the Board**

**Dr. K. V. L. N. RAJU**      **K. SOMA RAJU**  
Managing Director      Director  
DIN : 00116664      DIN : 00018539

**N. VISWANADHA RAJU**  
Director  
DIN : 00119584

Place : Hyderabad  
Date : 21 May 2018

**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

**1. General Information**

NAGARJUNA AGRITECH LTD was originally incorporated as Nagarjuna Health Products Pvt. Ltd on November 24, 1987 and is a forerunner in the field of FLORICULTURE i.e., cultivating and selling (local sales and exports) of Roses.

**2.1 Basis of preparation**

The financial statements are prepared in accordance with the notified Accounting Standards under Companies (Indian Accounting Standards) Rules, 2015 amended by Companies (Indian Accounting Standards) (Amendments) Rules, 2016 under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India. The financial statements comply with all the Ind AS notified by MCA till reporting date. i.e., March 31, 2018.

Effective April 1, 2016, the company has adopted all the Indian Accounting Standards and the adoption was carried out in accordance with Ind AS 101 – First Time adoption of Indian Accounting Standards as on transition date. The transition was carried out from IGAAP.

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

**Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**  
**(All amounts in Indian Rupees, unless otherwise stated)**

change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Recognition of Deferred taxes for the reporting periods**

Considering the uncertainty in utilization of tax losses and unabsorbed depreciation in future periods, company has recognised the deferred tax asset to the extent of deferred tax liability only. After establishment of reasonable certainty regarding utilization of tax losses and unabsorbed depreciation, total deferred tax asset would be recognised. The Company has not recognized the deferred tax asset on carried forward losses as at March 31, 2018 on the basis of prudence, as per the requirements of IND AS - 12 Income Taxes, issued by the Institute of Chartered Accountants of India.

**(ii) Taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

**(iii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(iv) Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

**(v) Impairment of non-financial assets**

Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**(vi) Contingencies**

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

**2.2 Summary of significant accounting policies**

**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realized within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**  
**(All amounts in Indian Rupees, unless otherwise stated)**

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.

**(b) Foreign currencies**

The financial statements are presented in INR (Indian rupees), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**(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.

**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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.

**(d) Revenue recognition**

Revenue from the sale of grown items is recognised upon passage of the title to the customers which generally consists with the delivery and acceptance thereof.

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**(e) Taxes**

**Current income 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 provision 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.

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 utilized.

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 utilized. Unrecognized 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 liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

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) Property, plant and equipment**

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property), were carried in the balance sheet at cost of acquisition. The company has elected to regard those values of property as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The company has also determined that cost of acquisition does not differ materially from fair valuation as at April 01, 2015 (date of transition to Ind AS).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(g) Inventories**

Inventories are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**(h) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**NAGARJUNA AGRI TECH LIMITED**  
**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**  
**(All amounts in Indian Rupees, unless otherwise stated)**

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase .

**(i) Provisions and Contingencies**

**a) Provisions**

Provisions are recognised in statement of profit and loss when the Company has a present obligation (legal or constructive) as a result of a 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. Provisions are not recognised for future operating losses.

**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed.

**b) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**(j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**

**a) Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**b) Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in to two categories:

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(a) Equity instruments measured at fair value through Profit and Loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(b) Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**c) De-recognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

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- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset, and
- c) The Company has transferred substantially all the risks and rewards of the asset, or
- d) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**ii. Financial liabilities**

**(A) Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**(B) Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the statement of profit and loss.

**(C) De-recognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**iii. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The

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Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**(k) Cash and cash equivalents**

Cash and cash equivalents 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 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.

**(l) Earnings per share**

Basic Earnings per Share is 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.

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.

Carrying Amount	Bearer Plants	Buildings	Computer Equipment	Electrical Installation & Equipment	Furniture	Land	Office Equipment	Plant & Machinery	Vehicles
Gross Carrying Amount	-	1,01,75,108	2,95,337	-	6,33,710	1,51,40,726	3,04,214	8,95,09,607	2,63,403
Additions	-	-	-	2,42,790	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount as on 31 March 2017	-	1,01,75,108	2,95,337	2,42,790	6,33,710	1,51,40,726	3,04,214	8,95,09,607	2,63,403
Additions	45,69,280	-	-	3,61,286	1,40,000	-	-	41,500	-
Disposals	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount as on 31 March 2018	45,69,280	1,01,75,108	2,95,337	6,04,076	7,73,710	1,51,40,726	3,04,214	8,95,51,107	2,63,403
Accumulated Depreciation									
As at 1 April 2016	-	68,24,882	2,94,902	-	6,32,605	-	2,89,003	8,21,72,129	2,63,403
Depreciation for the year	-	2,86,510	-	2,430	-	-	-	5,69,596	-
Closing Accumulated Depreciation as on 31 March 2017	-	71,11,392	2,94,902	2,430	6,32,605	-	2,89,003	8,27,41,725	2,63,403
Depreciation for the year	5,18,765	2,86,510	-	42,038	9,984	-	-	5,64,420	-
Closing Accumulated Depreciation as on 31 March 2018	5,18,765	73,97,902	2,94,902	44,468	6,42,589	-	2,89,003	8,33,06,145	2,63,403
Net Carrying Amount as on 31 March 2016	-	33,50,226	435	-	1,105	1,51,40,726	15,211	73,37,478	-
Net Carrying Amount as on 31 March 2017	-	30,63,716	435	2,40,360	1,105	1,51,40,726	15,211	67,67,882	-
Net Carrying Amount as on 31 March 2018	40,50,515	27,77,206	435	5,59,608	1,31,121	1,51,40,726	15,211	62,44,962	-

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				(Amount in `)
Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>4</b>	<b>Non Current Investments</b>			
	Investment in Other Companies			
	<i>Investment in equity instruments at fair value through Other Comprehensive Income (fully paid)</i>			
	<b>Unquoted</b>			
	a Manu Vyapar Private Limited	87,73,365	87,73,365	-
	b Tramco Finance Private Limited	13,41,577	13,41,577	-
	c Bharath Safety Glasses Private Limited	6,42,416	6,42,416	-
	<b>Total</b>	<b>1,07,57,358</b>	<b>1,07,57,358</b>	<b>-</b>
<b>5</b>	<b>Other Non Current Assets</b>			
	a Capital Advances	58,00,000	58,00,000	58,00,000
	b Share Application Money Pending Allotment	-	-	1,34,56,300
	<b>Total</b>	<b>58,00,000</b>	<b>58,00,000</b>	<b>1,92,56,300</b>
<b>6</b>	<b>Trade Receivables</b>			
	<i>Unsecured, Considered Good</i>	41,18,017	66,51,540	-
	<b>Total</b>	<b>41,18,017</b>	<b>66,51,540</b>	<b>-</b>
<b>7</b>	<b>Cash &amp; Cash Equivalents</b>			
	a Cash in hand	8,83,688	2,15,395	4,644
	b Balances in Bank a/c's	10,61,276	4,57,013	22,612
	<b>Total</b>	<b>19,44,964</b>	<b>6,72,408</b>	<b>27,256</b>
<b>8</b>	<b>Other Financial Assets</b>			
	a Due with Statutory Authorities	6,07,778	-	-
	b Deposits with Banks	1,85,061	1,85,061	1,85,061
	c Other Receivables	3,30,010	56,300	-
	d Security Deposits	8,40,195	9,07,195	9,07,195
	<b>Total</b>	<b>19,63,044</b>	<b>11,48,556</b>	<b>10,92,256</b>
<b>9</b>	<b>Other Current Assets</b>			
	a Salary Advance	23,000	-	-
	b Advances for Purchases and Expenses	1,17,349	-	-
	c Other Assets	2,35,771	2,35,771	2,35,771
	<b>Total</b>	<b>3,76,120</b>	<b>2,35,771</b>	<b>2,35,771</b>

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>10</b>	<b>Equity Share Capital:</b>			
	<b>A. Authorised Share Capital:</b>			
	1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000	10,00,00,000
	<b>B. Issued, Subscribed and Fully Paid up share capital:</b>			
	93,69,100 Equity Shares of Rs.10/- each fully paid up	<b>9,36,91,000</b>	<b>9,36,91,000</b>	<b>9,36,91,000</b>
	<b>C. Reconciliation of the shares outstanding at the beginning and at the end of year:</b>			
	<i>Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013</i>			
	a In no. of Shares			
	At the beginning of the year	93,69,100	93,69,100	93,69,100
	Share Capital Issued during the year	-	-	-
	Outstanding at the end of the year	93,69,100	93,69,100	93,69,100
	b In value of Shares			
	At the beginning of the year	9,36,91,000	9,36,91,000	9,36,91,000
	Share Capital Issued during the year	-	-	-
	Outstanding at the end of the year	9,36,91,000	9,36,91,000	9,36,91,000
	<b>D. Rights attached to the Equity Shares:</b>			
	<i>Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013</i>			
	a The company has only one class of equity shares having a face value of Rs. 10/- per share with one vote per each share.			
	b The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.			
	c In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
	<b>E. Details of Shareholders holding more than 5% shares in the company:</b>			
	<i>Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013</i>			
	<i>Equity Shares:</i>			
	a Subhkam Ventures (I) Private Limited	36.44%	36.44%	36.44%
	b Jinnur Investments Private Limited	22.77%	22.77%	22.77%

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>11</b>	<b>Other Equity</b>			
	a Capital Reserves	73,72,050	73,72,050	73,72,050
	b Retained Earnings	(4,94,38,872)	(5,25,88,553)	(5,58,65,521)
	<b>Total</b>	<b>(4,20,66,822)</b>	<b>(4,52,16,503)</b>	<b>(4,84,93,471)</b>
	<i>i Retained Earnings</i>			
	At the beginning of the period	(5,25,88,553)	(5,58,65,521)	(5,25,91,763)
	Profit for the period	31,49,681	32,76,968	(32,73,758)
	At the end of the period	<b>(4,94,38,872)</b>	<b>(5,25,88,553)</b>	<b>(5,58,65,521)</b>
	<b>Nature and purpose of other reserves</b>			
	<b>Capital Reserve</b>			
	The amount paid on forfeiture of shares during the year 2010-11 was transferred to capital reserves. The amount is considered as capital profit and is transferred to capital reserve since the company has cancelled the forfeited shares and is not going to reissue the same.			
<b>12</b>	<b>Trade Payables - Current:</b>			
	Total outstanding dues of micro enterprises and small enterprises	-	-	-
	b Total outstanding dues of Creditors other than micro enterprises and small enterprises	12,93,506	5,08,333	1,00,000
	<b>Total</b>	<b>12,93,506</b>	<b>5,08,333</b>	<b>1,00,000</b>
<b>13</b>	<b>Other Financial Liabilities</b>			
	a Non Trade Payables	6,67,032	8,46,216	2,45,662
	b Due to Statutory Authorities	18,469	13,022	16,906
	c Loan from Director	-	6,53,000	7,30,000
	<b>Total</b>	<b>6,85,501</b>	<b>15,12,238</b>	<b>9,92,568</b>
<b>14</b>	<b>Other Current Liabilities</b>			
	Advances received from Customers	5,28,102	-	1,66,667
	<b>Total</b>	<b>5,28,102</b>	<b>-</b>	<b>1,66,667</b>

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Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(Amount in )</b>			
<b>15</b>	<b>Revenue from Operations:</b>		
	a Export Sales	1,96,24,114	1,28,03,981
	b Domestic Sales	1,04,90,000	72,86,987
	c Subsidy received from ICEGATE	72,919	-
	<b>Total</b>	<b>3,01,87,033</b>	<b>2,00,90,968</b>
<b>16</b>	<b>Other Income</b>		
	a Duty Drawback received from DGFT	3,30,010	-
	b Rent Received	-	1,66,667
	<b>Total</b>	<b>3,30,010</b>	<b>1,66,667</b>
<b>17</b>	<b>Employee benefit Expenses</b>		
	a Salaries	18,47,545	9,80,100
	b Staff Welfare Expenses	70,580	16,766
	<b>Total</b>	<b>19,18,125</b>	<b>9,96,866</b>
<b>18</b>	<b>Other Expenses</b>		
	a Fertilizers & Pesticides Consumed	47,89,385	23,47,622
	b Wages	40,86,329	-
	c Power & Fuel	15,45,835	7,49,310
	d Plant Maintenance	24,53,418	31,61,814
	e Repairs & Maintenance	2,70,479	1,92,376
	f Travelling & Conveyance	2,24,276	2,62,940
	g Printing & Stationery	27,975	41,633
	h Rent	2,89,500	1,30,890
	i Forex Fluctuations	1,25,249	-
	j Rates & Taxes	35,000	2,98,663
	k Auditors Remuneration		
	i As Auditors	1,52,500	1,15,000
	l Professional Charges	1,84,256	2,10,756
	m Bank Charges & Commission	2,16,091	1,05,070
	n Directors Remuneration	4,71,748	-
	o Freight, Clearing & Forwarding Charges	47,98,399	24,23,335
	p Packing Material Consumed	12,32,928	6,21,161
	q Advertisement	43,194	
	r Other Expenses		
	i Listing Fee	3,98,967	0
	ii Brokerage	7,18,000	-
	iii Miscellaneous	2,07,572	97,502
	<b>Total</b>	<b>2,22,71,101</b>	<b>1,07,58,072</b>

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**19. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted Earnings per share (EPS) computations

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Profit/ (loss) for the period attributable to shareholders	31,49,681	59,19,610
(b) Weighted average number of equity shares (including share capital suspense) in calculating basic/diluted EPS	9,36,31,000	9,36,31,000
(c) Earnings per equity share (Basic and Diluted) - (a) / (b)	0.34	0.63

**20. Details of transactions with related parties**

**A. Names of related parties and related party relationship**

(i)	Associate Companies	a) Subhkam Ventures (I) Private Limited b) Jinnur Investments Private Limited
(ii)	Key Managerial Personnel	KVLN Raju – Managing Director K Soma Raju - Director K Ravindra-Director N Viswanadha Raju - Director N Rama Devi – Director

**B. Related party transactions**

Sl. No.	Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(i)	<b>Remuneration</b> Remuneration paid to Managing Director	4,71,748	-
(ii)	<b>Reimbursement of Expenses</b> Reimbursement of Travelling Expenses to Managing Director	1,96,096	2,36,471

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**C. Balances outstanding in related party accounts are as follows**

Related party transactions	As at March 31, 2018	As at March 31, 2017
<b>Share Capital</b>		
Subhkam Ventures (I) Private Limited	34,14,200	34,14,200
Jinnur Investments Private Limited	21,33,405	21,33,405

**21. Fair values**

**(A) Significant observable inputs used in estimating the fair values.**

Long Term Fixed rate and Variable rate receivables/borrowings are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers.

**(B) Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

- (i) Fair value of cash and deposits, trade receivables, staff advances, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**(C) Fair valuation hierarchy**

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- (i) Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level-1): It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published mutual fund operators at the balance sheet date.
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for

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example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

**Assets / Liabilities measured at fair value using significant observable inputs**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Financial assets measured at FVTPL</b>		
Investment in equity (Level-2)	1,07,57,358	1,07,57,358

During the year ended March 31, 2018, March 31, 2017 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**22. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value. During the reporting period Company has not obtained any loans from external financial institutions or from any of its related entities. Hence, company is not subject to any financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

**23. Note on Land**

The company has acquired land in the name of individuals. The rules in Karnataka State do not permit the companies to hold agricultural land in their names. However, the company has entered into agreement with the respective individuals for execution of necessary legal documents in respect of the title of the land. The consideration for purchase of said land has already been paid out of the company's funds, hence treated as an asset of the company.

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**24. Commitments and Contingencies**

**A. Contingent Liabilities:**

3.00 acres of land ownership is under dispute. The company was not aware at the time of purchase of land, that the sellers of the land belong to Scheduled Casts and Scheduled Tribes. As per Karnataka Scheduled Casts and Scheduled Tribes (Prohibition of Transfer of Certain Lands) Act, 1978 they have no right to dispose / sell the land. The seller of the land claims that he belongs to Scheduled Casts and Scheduled Tribes. The matter is pending before Assistant Commissioner, Doddaballapur Sub-Division, Bangalore. The Company is pursuing the matter and trying its best to protect the interests of the Members of the company. The proportionate cost of 3.00 acres land is Rs.5,69,419/- approximately.

**B. Commitments:**

Estimated Value of contracts remaining to be executed on capital account not provided for (Net of Advances): Nil (March 31, 2017 Nil, March 31, 2016 Nil)

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**25. First-time Ind AS adoption reconciliations**

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

a. **Balance Sheet as at April 1, 2016**

Particulars	IGAAP	IND AS Adjustment	IND AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2,58,45,181	-	2,58,45,181
(b) Financial assets			
Investments	-	-	-
(c) Other non-current assets	1,92,56,300		1,92,56,300
	<b>4,51,01,481</b>	-	<b>4,51,01,481</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	-	-	-
(ii) Cash and cash equivalents	27,256	-	27,256
(iii) Other Financial Assets	10,92,256	-	10,92,256
(b) Inventories	-	-	-
(c) Other current assets	2,35,771	-	2,35,771
	<b>13,55,283</b>	-	<b>13,55,283</b>
<b>Total Assets</b>	<b>4,64,56,764</b>	-	<b>4,64,56,764</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9,36,91,000	-	9,36,91,000
(b) Other Equity	(4,84,93,471)	-	(4,84,93,471)
	<b>4,51,97,529</b>	-	<b>4,51,97,529</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of Creditors other than micro enterprises and small enterprises	1,00,000	-	1,00,000
(ii) Other financial liabilities	9,92,568	-	9,92,568
(b) Other current liabilities	1,66,667	-	1,66,667
	<b>12,59,235</b>	-	<b>12,59,235</b>
<b>Total Equity and Liabilities</b>	<b>4,64,56,764</b>	-	<b>4,64,56,764</b>

**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

b. **Balance Sheet as at March31, 2017**

Particulars	IGAAP	IND AS Adjustment	IND AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2,52,29,435	-	2,52,29,435
(b) Financial assets			
Investments	1,07,57,358	-	1,07,57,358
(c) Other non-current assets	58,00,000		58,00,000
	<b>4,17,86,793</b>	<b>-</b>	<b>4,17,86,793</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	66,51,540	-	66,51,540
(ii) Cash and cash equivalents	6,72,408	-	6,72,408
(iii) Other Financial Assets	11,48,556	-	11,48,556
(b) Inventories	-	-	-
(c) Other current assets	2,35,771	-	2,35,771
	<b>87,08,275</b>	<b>-</b>	<b>87,08,275</b>
<b>Total Assets</b>	<b>5,04,95,068</b>	<b>-</b>	<b>5,04,95,068</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9,36,91,000	-	9,36,91,000
(b) Other Equity	4,52,16,503	-	(4,52,16,503)
	<b>4,84,74,497</b>	<b>-</b>	<b>4,84,74,497</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of Creditors other than MSME enterprises	5,08,333	-	5,08,333
(ii) Other financial liabilities	15,12,238	-	15,12,238
(b) Other current liabilities	-	-	-
	<b>20,20,571</b>	<b>-</b>	<b>20,20,571</b>
<b>Total Equity and Liabilities</b>	<b>5,04,95,068</b>	<b>-</b>	<b>5,04,95,068</b>

**NAGARJUNA AGRI TECH LIMITED**

**CIN No.L01119AP1987PLC007981**

**Notes to the Financial Statements for the year ended March 31, 2018**

**(All amounts in Indian Rupees, unless otherwise stated)**

26. As the Company's business activities falls within single segment the disclosure requirement of Accounting Standard 17 "Segment Reporting" is not applicable.
27. Balances under sundry creditors, deposits, Investment in share application money, advances, amounts payable / receivable are subject to confirmation and reconciliation.
28. Previous year figures have been regrouped and /or re-arranged wherever necessary to conform to those of the current year.

**For Brahmayya & Co.,**  
Chartered Accountants  
Firm's Regn.No.000514S

**B.Daivadheenam Reddy**  
Partner

Membership No.026450

Place : Hyderabad  
Date : 21 May 2018

**For and on behalf of the Board**

**Dr. K. V. L. N. RAJU**  
Managing Director  
DIN : 00116664

**K. SOMA RAJU**  
Director  
DIN : 00018539

**N. VISWANADHA  
RAJU**  
Director  
DIN : 00119584

Place : Hyderabad  
Date : 21 May 2018

**PROXY FORM**

[Pursuant to section 105(6) of the Company Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :			
Registered address :			
E-Mail Id :			
Folio No/ Client Id :		DP ID	

I/We, being the member (s) of..... Shares of Nagarjuna Agri Tech Limited, hereby appoint:

1	NAME		
	Address		
	E -Mail Id		Signature
	or failing him		
2	NAME		
	Address		
	E -Mail Id		Signature
	or failing him		
3	NAME		
	Address		
	E -Mail Id		signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, the 29th September, 2018 at 11:30 A.M at Plot No. 56, Nagarjuna Hills, Panjagutta, Hyderabad – 500082, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	Optional*	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	To receive, consider and adopt the Audited Financial Statements for the year 2017-18 including report of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. N.Viswanadha Raju (DIN: 00119584) as a Director, who retires by rotation		

Signed this ..... Day of .....2018.  
 Signature of shareholder : \_\_\_\_\_  
 Signature of Proxy holder (s) : \_\_\_\_\_



**Note :1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. \* It is optional to put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details including details of member(s) in above box before submission.

**NAGARJUNA AGRI TECH LIMITED**

Registered Office : Plot No. 56, Nagarjuna Hills, Panjagutta,  
Hyderabad – 500082  
(Corporate Identity No. L01119AP1987PLC007981)

ATTENDANCE SLIP

ANNUAL GENERAL MEETING -29th September, 2018 AT 11:30 A.M.

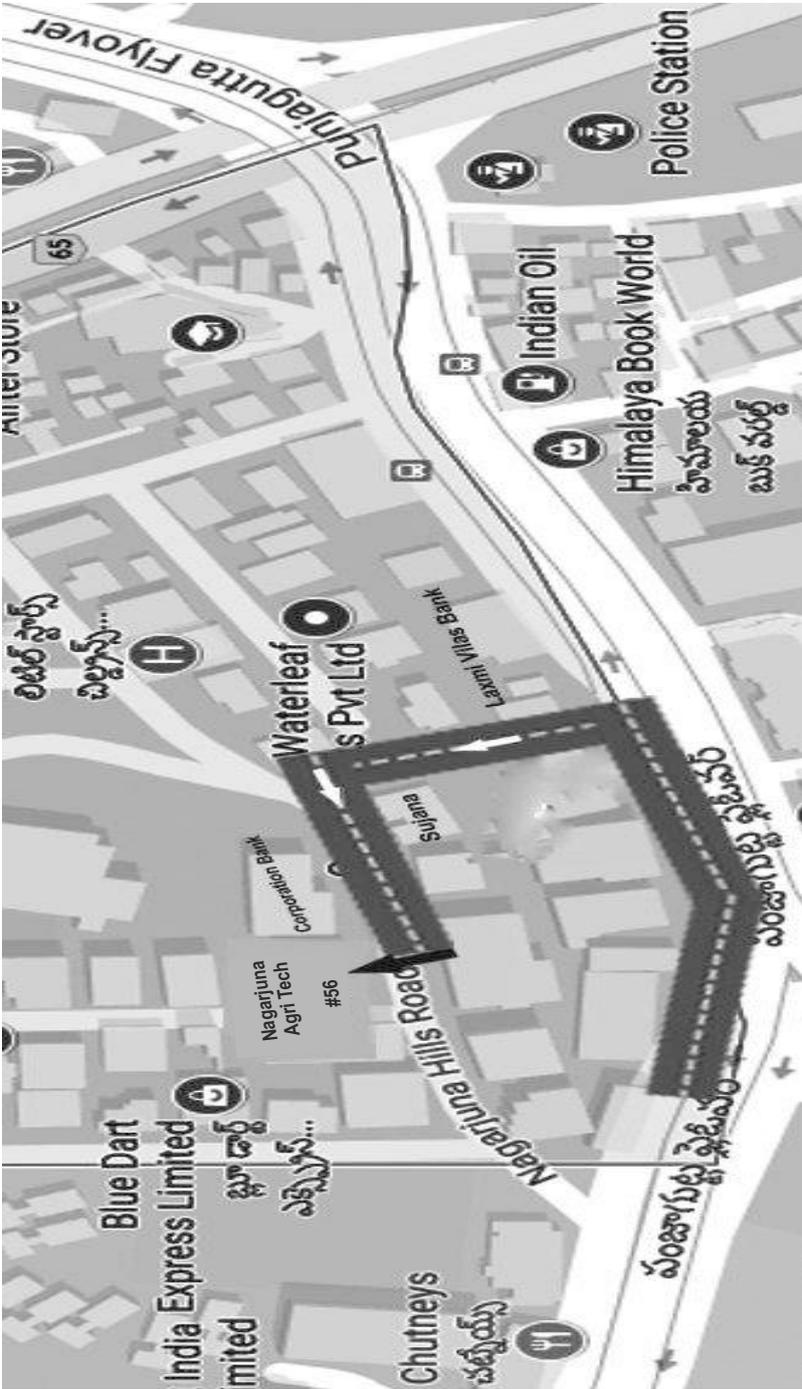
DP Id.		Name & Address of the registered Shareholder
Client Id/Regd. Folio No.		
No.of Shares held		

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Extraordinary General Meeting of the Company being held at Plot No. 56, Nagarjuna Hills, Panjagutta,  
Hyderabad – 500082, Telangana on Friday, 29th September, 2018 at 11.30 a.m

-----  
Member's/Proxy's Signature

Note : Please complete this and hand it over at the entrance of the hall.  
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**BOOK-POST**  
PRINTED MATTER



If undelivered, please return to :



**NAGARJUNA**  
**AGRITECH LIMITED**  
PLOT No. 56, Nagarjuna Hills,  
Punjagutta, Hyderabad - 500 082.