



# 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 CIN: L01119AP1987PLC007981

To,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400001

Date: 25.07.2020

Dear Sir/ Madam,

**Sub: Submission of Annual report for the FY 2019-20**

In compliance of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015, we are herewith submitting Annual Report of the Company.

This is for the information and records of the Exchange, please.

Yours faithfully,  
For Nagarjuna Agri Tech Limited

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



# **NAGARJUNA AGRI-TECH LIMITED**

**32nd  
ANNUAL REPORT  
2019-2020**

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# NAGARJUNA AGRI-TECH LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. K.V.L.N Raju	- Managing Director (DIN: 00116664)
Mr. Ravindra Kalidindi	- Director (DIN: 00021440)
Mr. Soma Raju Kallepalli	- Director (DIN: 00018539)
Mr. Viswanadha Raju Namburi	- Director (DIN: 00119584)
Mrs. Rama Devi Numburi	- Director (DIN: 06970266)
Mr. Sitapathi Raju Kosuri	- CFO (PAN: AAUPK4954D)
Mrs. Rimpay Choudhury	- Company Secretary (PAN: PDPC0572R)

### REGISTERED OFFICE:

Nagarjuna Agri-Tech Limited  
56 Nagarjuna Hills Panjagutta  
Hyderabad- 500082, Telangana, India.

**CIN: L01119AP1987PLC007981**

### STATUTORY AUDITORS:

M/s. Brahmayya & co.  
Chartered Accountants  
No.21/142-6, upstairs, S.K.D. Colony Extension  
Adoni, Kurnool Dist, A.P-518301

### INTERNAL AUDITORS:

Mr. Shaik Mujeeb  
Hyderabad

### SECRETARIAL AUDITOR:

Mr. K.V. Chalama Reddy  
Practicing Company Secretary  
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,  
2nd Floor, HSR Summit, Banjara Hills,  
Road No. 10, Hyderabad,  
Telangana - 500034

### BANKERS:

Corporation Bank  
Banjara Hills branch, Hyderabad.

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## NAGARJUNA AGRI-TECH LIMITED

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### **REGISTRAR & SHARE TRANSFER AGENTS:**

**XL Softech Private Limited**

# 3 Sagar Society Road no.2 Banjara Hills, Hyderabad – 500034

Phone Number:23545913/14/15.

**EMAIL-**[natl@rediffmail.com](mailto:natl@rediffmail.com)

**WEBSITE:** [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com)

### **LISTED AT:**

Bombay Stock Exchange Limited

### **DEMAT ISIN NUMBER IN NSDL& CDSL:**

INE793H01017

### **INVESTOR E-MAIL ID:**

[natl@rediffmail.com](mailto:natl@rediffmail.com)

### **AUDIT COMMITTEE:**

Mr. K. Soma Raju	-	Chairman
Mr. N Viswanatha Raju	-	Member
Mr. K Ravindra	-	Member

### **NOMINATION AND REMUNERATION COMMITTEE:**

Mr. K. Soma Raju	-	Chairman
Mr. N Viswanatha Raju	-	Member
Mr. K Ravindra	-	Member

### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

Mr. K. Soma Raju	-	Chairman
Mr. N Viswanatha Raju	-	Member
Mr. K Ravindra	-	Member

### **RISK MANGEMENT COMMITTEE:**

Mr. K. Soma Raju	-	Chairman
Mr. N Viswanatha	-	Raju Member
Mr. K Ravindra	-	Member

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### NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of members of M/s. Nagarjuna Agri-Tech Limited will be held on Monday, the 17th day of August, 2020 at 11.00 A.M. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Viswanadha Raju Namburi (DIN 00119584) who retires by rotation and being eligible, offers himself, for re-appointment.

#### SPECIAL BUSINESS:

#### 3. APPROVAL FOR SALE OF LAND AND PROPERTIES OF THE COMPANY:

To consider and if thought fit, to pass with or with modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions if any, of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and the Memorandum and Articles of Association of the Company, read with Securities and Exchange Board of India {Listing Obligations and Disclosure Requirements} Regulations, 2015 (the "LODR") and subject to compliance of all applicable laws and regulations and such permissions, registrations, approvals, consents and sanctions as may be necessary from the concerned/statutory authorities and subject to such other terms and conditions as may be imposed by them, the consent of the member of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to "the Board" which term shall be deemed to include any duly constituted Committee thereof) to sell, transfer or otherwise dispose of the Company's immovable properties and lands measuring around 25.26 Acres in Aralamallige Village under Survey No 131, 332-339 in the State of Karnataka to any prospective buyer, in such manner/arrangements, for consideration as the Board

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may consider appropriate, on such terms and conditions and with effect from such date as may be decided by the Board.”

**“RESOLVED FURTHER THAT** the Board be or the constituted committee of Directors and is hereby authorized to finalize the terms and conditions without further referring the matter to the Members of the Company, as well as the means, methods or modes in respect thereof and to finalize and execute all required documents including agreements, memoranda, deeds of assignment/conveyance and other documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the Company, including to seek registration of any such documents, deeds as may be necessary, filing intimations, applying for and/or behalf of the Company and seeking approvals/consents of necessary parties, including without limitation regulatory authorities, for giving effect to this resolution and that the Board shall also have the power and authority to delegate all or any of its powers conferred herein, to the aforesaid committee of two Directors as it may deem fit to give effect to this resolution.”

#### **4. TO ENTER INTO CONTRACT OR ARRANGEMENT WITH RELATED PARTY :**

**“RESOLVED THAT** pursuant to provisions of Section 188(1) of the Companies Act, 2013, Rule 22 of the Companies (Management and Administration) Rule 2014, Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force as amended from time to time), and pursuant to the approval of the Audit Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded to authorise the Board of Directors of the Company and/or a Committee thereof, to severally do or cause to be done all such acts, matters, deeds and things in connection with selling a portion of land situated at Aralamallige Village under Survey No 131, 332-339 immovable properties and lands measuring around 25.26 Acres and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related parties and severally execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving full effect to this resolution, in the best interest of the Company.”

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**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized on behalf of the Company to execute agreements, deeds, applications or any other necessary and related documents as may be required and subsequent modifications thereto and to do all such acts, deeds, matters and things, as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including the power to sub-delegate and take all necessary steps as it may in its absolute discretion and in the best interest of the Company deem necessary, desirable or expedient from time to time in order to give effect to the aforesaid resolution.”

**For and on behalf of the Board of  
Nagarjuna Agri-Tech Limited**

**Place: Hyderabad  
Date: 08.07.2020**

**Sd/-  
K V L N Raju  
Managing Director  
(DIN: 00116664)**

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### NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.
8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
9. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
10. The Register of Members and Share Transfer Books of the Company will remain closed from 11.08.2020 to 17.08.2020 (both days inclusive) for the purpose of AGM.
11. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. XL Softech Systems Limited )

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13. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. XL Softech Systems Limited.**, Share Transfer Agents of the Company for their doing the needful.
14. As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
15. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
16. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
17. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

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18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. Instructions for e-voting and joining the AGM are as follows:

**A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING AREAS UNDER:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- II. The remote e-voting period commences on Friday, August 14, 2020 (9:00 a.m. IST) and ends on Sunday, August 16, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, August 11, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- V. The details of the process and manner for remote e-voting are explained herein below:

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- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders tab
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

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- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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### **B. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:**

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- (iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (iv) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address [kvcr133@gmail.com](mailto:kvcr133@gmail.com) and

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to the Company at the email address viz; natl@rediffmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:**

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
- (iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

### **E. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- (i) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id viz; [company.secretary@gmail.com](mailto:company.secretary@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
22. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
23. Mr. K. V. Chalama Reddy, Practicing Company Secretary, bearing C.P. Number 5451 has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
24. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com). and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**For and on behalf of the Board of  
Nagarjuna Agri-Tech Limited**

Sd/-

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

**Place: Hyderabad  
Date: 08.07.2020**

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## **NAGARJUNA AGRI-TECH LIMITED**

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### **EXPLANATORY STATEMENT** **[Pursuant to Section 102 of the Companies Act, 2013]**

#### **Item No. 3 Approval for sale of land and properties of the company situated at Karnataka**

M/s. Nagarjuna Agri-Tech Limited (“The Company”) has the immovable property measuring around 25.26 Acres in Aralamallige Village under Survey No 131, 332-339 at Karnataka State. 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.

As the Company has no activity in Karnataka and there is no immediate plan to start any business in Karnataka, the Board of Directors have unanimously considered selling the land at the best price possible to such person(s) or in any manner as the Board may consider appropriate.

Keeping in view of the Company's existing and future financial requirements to support its business operations, it is proposed to monetize the immovable properties of the Company in-order to meet the additional funds requirements.

The Board of Directors recommends the resolution set forth in item No. 2 for approval of the Shareholders as a Special Resolution and other requisite approvals, approved selling of the immovable property.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolutions, except to the extent of their respective interest as shareholders of the Company.

#### **Item No. 4 Contract or arrangement with related party**

When the Company was unable to secure the deal with outsiders, due to prevailing sluggish real market conditions, Promoters will be approached to buy the above land. They have also to revive the Company from the present state of affairs. Since the sale may also conclude with some related parties, as an abundant caution approval pursuant to provisions of Section 188(1) of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, is sought for. As per the above proviso the Related Party Transactions as mentioned in clause (a) to (g) of the said Section require a Company to obtain prior approval of the Board of Directors and subsequently

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## **NAGARJUNA AGRI-TECH LIMITED**

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the Shareholders of the Company by way of Special Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15(3) of the said Rules. Accordingly, the Board of Directors of the Company based on the recommendations of the Audit Committee, considered this at its meeting held on April 24, 2020, and recommended this to Shareholders for their approval to the Company to enter into related Party Transactions in one or more tranches.

Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all material Related Party Transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. Accordingly, the approval of the shareholders is sought for all contracts/ arrangements/ agreements/ transactions to be entered into with related parties within the meaning of Section 2(76) of the Companies Act, 2013 and pursuant to Section 188 of the Companies Act, 2013 read with relevant rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force as amended from time to time), as per details mentioned in resolution as set out in Item no. 2 of the accompanying Notice.

The Board of Directors recommends the resolution set forth in item No. 2 for approval of the Shareholders as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

**For and on behalf of the Board of  
Nagarjuna Agri-Tech Limited**

**Sd/-**

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

**Place: Hyderabad  
Date: 08.07.2020**

# NAGARJUNA AGRI-TECH LIMITED

## DIRECTORS' REPORT

To the Members,  
Nagarjuna Agri-Tech Limited,  
Hyderabad, Telangana, India

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company') along with the audited "Financial statement for the "Fiscal Year ended March 31, 2020.

### 1. Financial summary/highlights:

The performance during the period ended 31<sup>st</sup> March, 2020 has been as under:

(Amount In Rs.)

Particulars	2019-20	2018-19
Turnover/Income (Gross)	2,93,97,539	3,05,28,559
Other Income	9,02,218	8,86,418
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	(19,33,383)	(10,12,229)
Less: Depreciation/ Amortization/ Impairment	17,81,025	18,24,835
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(37,14,408)	(8,12,606)
Less: Finance Costs	--	--
Profit /loss before Exceptional items and Tax Expense	(37,14,408)	(8,12,606)
Add/(less): Exceptional items	--	--
Profit /loss before Tax Expense	(37,14,408)	(8,12,606)
Less: Tax Expense (Current & Deferred)	--	--
Profit /loss for the year (1)	(37,14,408)	(8,12,606)
Total Comprehensive Income/loss (2)	4,03,237	5,36,367
Total (1+2)	--	--
Balance of profit /loss for earlier years	(33,11,171)	(2,76,239)
Less: Transfer to Debenture Redemption Reserve	--	--
Less: Transfer to Reserves	--	--
Less: Dividend paid on Equity Shares	--	--
Less: Dividend paid on Preference Shares	--	--
Less: Dividend Distribution Tax	--	--
Balance carried forward	(33,11,171)	(2,76,239)

**2. Overview & State of The Company's Affairs:**

During the year under review, the Company has recorded an income of Rs. 3,14,14,977/- and loss of Rs. 8,12,606/- as against the income of Rs. 3,02,99,757/- and Loss of Rs.37,14,408/- in the previous financial year ending 31.03.2020. The Company is looking forward for good profit margins in near future.

**3. Present scenario of the Floriculture Industry (Pandemic from COVID-19)**

During the year 2019-20 market is very slow, suddenly at the end of January 2020 Covid-19 issue started from China, and there is a cut in our exports to Singapore during Chinese New Year in January and subsequently Singapore customers placed orders for Valentine's and cancelled orders in the last minute because of the COVID-19 issue and there is an indirect loss for the company.

Suddenly the Issue of COVID – 19 issue got flare-up and from 20th of March, 2020 there is a sudden lock down all over the country because of this company has thrown out 1,50,000 exportable stems and existing production from the cold room and production stems got destroyed in the poly houses and totally production got totally stopped. All the exports and local markets got stand still. Company cannot produce both quality flowers and quantity as per the specifications. All the International flights to different destinations got cancelled even local transportation got totally stopped.

Floriculture Industry even it comes under Horticulture Activity and agriculture produce there is no demand or asking for the flowers for any purpose. Total floriculture Industry has become stand still and shaken up, only basic needs are looking after as on today. By looking at the present scenario future for this Industry is not in a positive direction if the problem continues. Since floriculture is highly labour oriented project, most of the outside labour left the site since they held from different states, all the indications are in negative direction. Already lot of amounts got invested into the company without any returns.

Experienced people from this Industry are indicating for another 3 years there is no future. And Industry made lot of representations to the Government for help and there is no indications to get any sort of help for floriculture units during such crises and disastrous situation.

**4. Dividend:**

Keeping the Company's growth plans in mind, your Directors have decided not to recommend dividend for the year.

**5. Transfer to reserves:**

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

**6. Material changes & commitment affecting the financial position of the company:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

**7. Significant & material orders passed by the regulators or courts or tribunals:**

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

**8. Transfer of un-claimed dividend to Investor Education and Protection:**

There is no such amount of Un-paid or Unclaimed Dividend to be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2020.

**9. Details of utilization of funds:**

During the year under review, the Bank has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**10. Details of Nodal Officer:**

The Company has designated Dr. K V L N Raju as a Nodal Officer for the purpose of IEPF.

**11. Revision of financial statements:**

There was no revision of the financial statements for the year under review.

**12. Change in the nature of business, if any:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

**13. Deposits from public:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2020 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**14. Criteria for determining qualifications, positive attributes and independence of a director:**

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

**Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

**Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

**Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations.

**15. Training of Independent Directors:**

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company's business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Board has shown all the Independent Directors Company's business and Floriculture activities and were also introduced to Company's staff.

**16. Independent director's familiarization programmes:**

The familiarization program aims to provide the Independent Directors with the scenario within the Floriculture Activities, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for

Independent Directors is hosted on your Company's website and its web link is [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com)

### **17. Mechanism for Evaluation of the Board:**

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, adopted Board Evaluation Policy to comply with the various provisions of the Act, the Listing Regulations and the SEBI circular dated January 5, 2017 which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 14, 2020, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

### **The above evaluation was done keeping in view the following factors:**

- (i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgment, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

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## NAGARJUNA AGRI-TECH LIMITED

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- (v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

<b>Categories</b>	<b>Rating (out of 5)</b>
Board as a whole	4.89
<b>Individual Directors</b>	
Dr. K.V.L.N Raju	4.68
Mr. Ravindra Kalidindi	4.78
Mr. Soma Raju Kallepalli	4.46
Mr.Viswanadha Raju Namburi	4.59
Mrs. Rama Devi Numburi	4.73
Audit Committee	4.56
Stakeholder Relationship Committee	4.25
Nomination & Remuneration Committee	4.65

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

<b>Observations of Board evaluation carried out for the year</b>	
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

### **18. Composition of Board of Directors:**

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2020, the Company's Board comprised of five Directors, One promoter Director. In addition, there are two independent Directors and two non –executive directors on the Board including one woman Director. In terms of Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act

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2013, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

### 19. Audit Committee Recommendations

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

### 20. Number of Board Meetings:

During the year, four meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meetings for the period under review are 29.05.2019, 10.08.2019, 12.11.2019 and 14.02.2020.

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Regulation 25 of the Listing Regulations was held on 14.02.2020.

### 21. Attendance of Board Meetings:

Name	No of Meetings held	No of Meetings attended
Mr. K.V.L.N Raju	4	4
Mrs. Rama Devi Numburi	4	4
Mr. K. Soma Raju	4	4
Mr. N Viswanatha Raju	4	4
Mr. K Ravindra	4	4

### 22. Committees of the Board:

In compliance with the provisions of Sections 177, 178 of the Act, the Board constituted, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship committee and Risk Management Committee. The details of composition of the Committees, their meeting and attendance of the members are:

23. Audit Committee: Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

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- A. Brief Description of Terms of Reference: - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
  - iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  - iv. Approval of payment to statutory auditors for any other services rendered by them.
  - v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
    - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) Changes, if any, in accounting policies and practices and reasons for the same;
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) Significant adjustments made in the financial statements arising out of audit findings;
    - (e) Compliance with listing and other legal requirements relating to financial statements
    - (f) Disclosure of any related party transactions;
    - (g) Modified opinion(s) in the draft audit report;
  - vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
  - vii. Examination of the financial statement and the auditors' report thereon;
  - viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;

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- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.

### **Review of the following information:**

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

### **B. Internal Audit**

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

### **C. Composition, Meetings & Attendance:**

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. K. Soma Raju, as Chairman of the Committee, having the relevant accounting and financial management expertise.

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The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2020 are as under:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. K. Soma Raju	Chairman	NED(I)	4	4
Mr. N Viswanatha Raju	Member	NED	4	4
Mr. K Ravindra	Member	NED(I)	4	4

The Audit Committee met 4 times during the financial year 2019-20 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 29th May 2019, 10th August 2019, 12th November 2019 and 14th February 2020. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28 September, 2019.

**24. Nomination and remuneration committee:** The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

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- Support the Board in matters related to the setup, review and refresh of the Committees.
  - Devise a policy on Board diversity.
  - Recommend to the Board the appointment or reappointment of Directors.
  - Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
  - Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
  - Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
  - On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
  - Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
  - Review matters related to voluntary retirement and early separation schemes for the Company.
  - Provide guidelines for remuneration of Directors on material subsidiaries.
  - Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
  - Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
  - Oversee familiarisation programmes for Directors.
  - Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
  - Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.

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- Perform other activities related to the charter as requested by the Board from time to time.

### **B. Composition of the committee, meetings and attendance during the year:**

There were two (2) Nomination and Remuneration Committee Meetings held during the financial year 2019-20 on 10.08.2019& 14.02.2020.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. K. Soma Raju	Chairman	NED(I)	2	2
Mr. N Viswanatha Raju	Member	NED	2	1
Mr. K Ravindra	Member	NED(I)	2	2

**25. Stakeholder's relationship committee:** Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2019-20, 4 meetings of the Committee were held on 29th May 2019, 10th August 2019, 12th November 2019 and 14th February 2020. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. K. Soma Raju	Chairman	NED(I)	4	4
Mr. N Viswanatha Raju	Member	NED	4	4
Mr. K Ravindra	Member	NED(I)	4	4

No investor grievance complaints received during the financial year 2019-2020

### 26. Risk Management Committee: -

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. However, to further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors voluntarily constituted a Board level Risk Management Committee (RMC).

#### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. K. Soma Raju	Chairperson	ED
Mr. N Viswanatha Raju	Member	NED(I)
Mr. K Ravindra	Member	NED(I)

#### Role and responsibilities of the committee includes the following:

- Framing of Risk Management Plan and Policy.
- Overseeing implementation of Risk Management Plan and Policy.
- Monitoring of Risk Management Plan and Policy.
- Validating the process of risk management.
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.

- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- Sustaining operations in lock down conditions without disruption etc.
- water scarcity for operational requirements.

### **27. Information supplied to the board:**

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary.
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made.

- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company.
- Substantial non-payment of goods sold by the Company except disputes.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business.
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **28. Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

The policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the audit Committee.

### **29. Directors and key managerial personnel:**

As on date of this report, the Company has five Directors, out of those three are Independent Directors including one Woman Independent Director.

#### **a) Re-Appointment of Directors of the Company:**

- (i) Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Viswanadha Raju Namburi (DIN 00119584) is liable to retire by rotation at the ensuing 32nd Annual General Meeting.

### **b) Key Managerial Personnel:**

Key Managerial Personnel for the financial year 2019-20

- Mr. Venkatalakshmi Narasimha Raju Kosuri, Managing Director
- Mr. Soma Raju Kallepalli, Independent Director.
- Mr. Viswanadha Raju Namburi, Non-Executive Director
- Mrs. Rama Devi Numburi, Non-Executive Director
- Mr. Ravindra Kalidindi, Independent Director.
- Ms. Rimpay Choudhury, Company Secretary
- Mr. Sitapathi Raju Kosuri, Chief Financial officer

Mr. Sitapathi Raju Kosuri was appointed as the chief financial officer of the Company with effect from July 8, 2020 and Mrs. Rimpay Choudhury was appointed as the Company Secretary of the Company with effect from July 8, 2020.

### **30. Statutory Auditors:**

At the Annual General Meeting held on 29th September, 2017, (29th AGM) the Company has appointed M/s. Brahmayya & Co. Chartered Accountants Adoni, (Firm Registration No: 000514S) as statutory auditors of the Company to hold office for a period of consecutive five years from the conclusion of this AGM till 34th Annual General meeting of the Company to be held in year 2022. Accordingly they retire at the 34th AGM.

The Statutory Auditor's report dated June 29, 2020 on the financial statements of the Company for FY 2019-20 is unmodified and does not have any reservations, qualifications or adverse remarks.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

### **31. Internal auditors:**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company on quarterly basis.

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

**32. Secretarial auditors:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary (C.P No. 5451) the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2020

The Secretarial Audit was carried out by Mr. K.V. Chalama Reddy, Company Secretaries (CP No. 5451) for the financial year ended March 31, 2020. The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report.

**33. Qualifications in audit reports:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made, if any —

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2020 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the rapid global challenges.

The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and noted at the same that the company has not appointed company secretary and Chief Financial Officer and internal Auditor during the year but the company is taking necessary measures to appoint the same at the earliest

**34. No Frauds reported by statutory auditors**

During the Financial Year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**35. Conservation of energy, technology absorption and foreign exchange outgo:**

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014:

**A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:**

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

**C. Foreign Exchange Earnings and Out Go:**

1. Foreign Exchange Earnings: 201.32 Lakhs
2. Foreign Exchange Outgo: NIL

**36. Corporate governance:**

Since the paid-up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

**37. Information about the financial performance / financial position of the subsidiaries / associates:**

The company does not have any subsidiaries/Associate companies.

**38. Names of the companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:**

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

**39. Disclosure of adequacy of internal financial controls:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

**40. Statutory compliance:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

**41. Prevention of Insider Trading Regulations:**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated a Code of Conduct for Prevention of Insider Trading ('Insider Trading Code') and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI).

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website at the following link: [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com)

**42. Extract of Annual Return:**

As provided under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return under form MGT 9 is annexed herewith as Annexure- F to this report.

**43. Authorised and paid up capital of the company:**

The authorized capital of the company stands at Rs. 10,00,00,000/- divided into 1,00,00,000 equity shares of Rs. 10/- each and the company's paid up capital is Rs. 9,36,91,000/- divided into 93,69,100 equity shares of Rs. 10/- each.

**44. Declaration of independence:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

**45. Policy on Directors appointment and Remuneration and other details:**

The Board Governance, Nomination & Compensation Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), senior management personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com).

We affirm that the remuneration paid to Directors is in accordance with the remuneration policy of the Company.

**46. Director's Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that: -

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## NAGARJUNA AGRI-TECH LIMITED

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- a) in the preparation of the annual accounts for the financial year ended 31 March 2020, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have 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 your Company as on 31st March 2020 and of the profit and loss of the Company for the financial year ended 31st March 2020;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

### **47. Corporate social responsibility policy:**

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### **48. Insurance:**

The properties and assets of your Company are adequately insured.

### **49. Particulars of loans, guarantees:**

The Company has not availed any facilities of Credit and Guarantee.

### **50. Non-executive directors' compensation and disclosures:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**51. Declaration by the Company**

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

**52. Internal Financial Control Systems:**

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management.

**53. Related Party Transactions:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2019-20, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- D to this report.

**54. Cost records and cost audit:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

**55. Non-executive directors' compensation and disclosures:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**56. Industry based disclosures as mandated by the respective laws governing the company:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**57. Prevention of sexual harassment at workplace:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace. This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com).

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

**58. Green Initiatives:**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 32nd Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

**59. Other Disclosures:**

Your Directors state that no disclosure or reporting is required in respect

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## NAGARJUNA AGRI-TECH LIMITED

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of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

### **60. Appreciation & acknowledgement:**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other "financial institutions and shareholders of the Company like SEBI, BSE, NSE, NSDL, CDSL, ICICI Bank, Kotak Mahindra Bank and State Bank of India etc. for their continued support for the growth of the Company.

**For and on behalf of the Board of  
Nagarjuna Agri-Tech Limited**

**Place: Hyderabad  
Date: 08.07.2020**

**Sd/-  
K V L N Raju  
Managing Director  
(DIN: 00116664)**

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## NAGARJUNA AGRI-TECH LIMITED

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### CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2019-20

This is to confirm that the Company has obtained from all the Members of the Board and Senior Management personnel affirmation that they have complied with the Code of Conduct for Directors and senior management personnel as required under Regulation 26(3) of the Listing Regulations for the FY 2019-20.

**For and on behalf of the Board of  
Nagarjuna Agri-Tech Limited**

**Place: Hyderabad  
Date: 08.07.2020**

**Sd/-  
Rama Devi Numburi  
Director  
(DIN: 06970266)**

**Sd/-  
K V L N Raju  
Managing Director  
(DIN: 00116664)**

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## NAGARJUNA AGRI-TECH LIMITED

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### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Nagarjuna Agri-Tech Limited** having CIN L01119AP1987PLC007981 and having registered office at 56 Nagarjuna Hills Panjagutta, Hyderabad, Telangana- 500082 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number [DIN] status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	DIN No	Name of the Director	Designation
1.	00116664	Mr. Venkatalakshmi Narasimha Raju Kosuri	Managing Director
2.	00018539	Mr. Soma Raju Kallepalli	Director
3.	00021440	Mr. Ravindra Kalidindi	Director
4.	00119584	Mr. Viswanadha Raju Namburi	Director
5.	06970266	Mrs.Rama Devi Numburi	Director

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

K . V. Chalama Reddy  
Practicing Company Secretary  
M. No: F9268; C.P. No: 5451  
UDIN: F009268B00048634

Place: Hyderabad  
Date: 22.07.2020

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## NAGARJUNA AGRI-TECH LIMITED

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### Form No. MR-3

### Secretarial Audit Report

For The Financial Year Ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Nagarjuna Agri-Tech Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nagarjuna Agri-Tech Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1<sup>st</sup> April, 2019 and ended 31<sup>st</sup> March, 2020 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 herein after:

1. I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> of March, 2020 according to the provisions of:
  - a) The Companies Act, 2013 (the Act) and the rules made there under;
  - b) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - c) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
  - d) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

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## NAGARJUNA AGRI-TECH LIMITED

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2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com)**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable as there was no reportable event during the financial year under review;**
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - e. 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; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2019; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 : **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
  - h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any ESOPS during the year under review.**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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## NAGARJUNA AGRI-TECH LIMITED

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j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

3. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:-

- a. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
- b. Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations 2018.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

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

#### **4. I, further report that:**

- a. The Company has not appointed key managerial personnel (Company Secretary & Chief Financial Officer) in terms of Section 203 of the Companies Act 2013 and rules made there under.
5. During the year the Company has conducted 4 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
    - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

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## NAGARJUNA AGRI-TECH LIMITED

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- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was not attracted to the Company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the Company under the financial year under report.
- (ii) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
6. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
7. Adequate notice of board meeting is given to all the Directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
8. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
9. I, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
10. I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Sd/-

K . V. Chalama Reddy  
Practicing Company Secretary  
M. No: F9268; C.P. No: 5451  
UDIN: F009268B00048634

Place: Hyderabad  
Date: 22.07.2020

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## NAGARJUNA AGRI-TECH LIMITED

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To  
The Members of  
Nagarjuna Agri Tech Limited  
Hyderabad

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

1. Maintenance of secretarial record 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 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 relied on the reports given by the concerned professionals in verifying 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 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 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: 22.07.2020

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

# NAGARJUNA AGRI-TECH LIMITED

Annexures-F to the Director's Report  
MGT 9

Extract of Annual Return

Ason the Financial Year 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

I. REGISTRATION AND 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		Company limited by shares/ Non-Government Company						
v.	Address of the Registered office and contact details		56 Nagarjuna Hills Panjagutta Hyderabad Telangana, India (Email Id: natl@rediffmail.com)						
vi.	Whether listed company Yes / No		Yes						
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any		XL Softech Private Limited #3 Sagar Society Road no.2 Banjara Hills, Hyderabad – 500034 Phone Number:23545913/14/15.						
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 and 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 AND ASSOCIATE COMPANIES NIL									
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding: -									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	481709	--	481709	5.14	481709	--	481709	5.14	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	2458405	--	2458405	26.24	2458405	--	2458405	26.24	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total(A) (1) :-</b>	<b>2940114</b>	<b>--</b>	<b>2940114</b>	<b>31.38</b>	<b>2940114</b>	<b>--</b>	<b>2940114</b>	<b>31.38</b>	<b>--</b>
<b>(2) Foreign</b>									

## NAGARJUNA AGRI-TECH LIMITED

a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A)(2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2940114</b>	--	<b>2940114</b>	<b>31.38</b>	<b>2940114</b>	--	<b>2940114</b>	<b>31.38</b>	--
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	49500	49500	0.53	--	49500	49500	0.53	--
b) Banks / FI	--	250000	250000	2.67	--	250000	250000	2.67	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub Total</b>		<b>299500</b>	<b>299500</b>	<b>3.20</b>	--	<b>299500</b>	<b>299500</b>	<b>3.20</b>	--
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	3894824	94600	3989424	42.58	3850964	94300	3945264	42.11	-1.11
ii) Overseas	--	--	--	--	--	--	--	--	--
<b>b) Individuals</b>									
i) Individual shareholders holding nominal	711419	1111500	1822919	19.46	712924	1107300	1820224	19.43	-0.15

## NAGARJUNA AGRI-TECH LIMITED

share capital up to Rs. 1 lakh										
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	218034	38700	256734	2.74	325689	26900	352589	3.76	1.02	
c) Others (specify)										
Clearing Member	--	--	--	--	--	--	--	--	--	--
Foreign Bodies	--	--	--	--	--	--	--	--	--	--
Foreign National	--	--	--	--	--	--	--	--	--	--
Corporate Body-others	--	--	--	--	--	--	--	--	--	--
NBFC	--	--	--	--	--	--	--	--	--	--
NRIs	--	--	--	--	--	--	--	--	--	--
NRIsRepatriable	59809	--	59809	0.64	9809	--	9809	0.10	(0.54)	
NRIs Non-Repatriable	600	--	600	0.01	1600	--	1600	0.02	0.01	
HUF	--	--	--	--	--	--	--	--	--	--
Qualified Foreign Investor	--	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2): -</b>	<b>4884686</b>	<b>1244800</b>	<b>6129486</b>	<b>65.42</b>	<b>4900986</b>	<b>1228500</b>	<b>6129486</b>	<b>65.42</b>	<b>--</b>	
<b>Total Public Shareholding</b>										<b>--</b>
<b>(B)=(B)(1) + (B)(2)</b>	<b>4884686</b>	<b>1544300</b>	<b>6428986</b>	<b>68.62</b>	<b>4900986</b>	<b>1528000</b>	<b>6428986</b>	<b>68.62</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>--</b>
<b>Grand Total (A+B+C)</b>	<b>7824800</b>	<b>1544300</b>	<b>9369100</b>	<b>100.00</b>	<b>7841100</b>	<b>1528000</b>	<b>9369100</b>	<b>100.00</b>	<b>--</b>	

## NAGARJUNA AGRI-TECH LIMITED

<b>(ii) Shareholding of Promoters</b>								
Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		Demat	Total	% of Total Shares	Demat	Total	% of Total Shares	
1.	JINNUR INVESTMENTS PVT LTD	2133405	2133405	22.77	2133405	2133405	22.77	0
2.	KRISHNA HOLDINGS PVT LTD	325000	325000	3.47	325000	325000	3.47	0
3.	K V L N Raju	4,77,208	4,77,208	5.09	4,77,208	4,77,208	5.09	
4.	Lakshmi Raju K	4501	4501	0.05	4501	4501	0.05	
	<b>Grand Total 1+2</b>	29,40,114	29,40,114	31.38	29,40,114	29,40,114	31.38	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change). There is no change in promoter shareholding during the financial year 2019-20**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
1		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.) Purchase-				
	At the End of the year				

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

Sl. No	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
1.	<b>SUBHKAM VENTURES (I) PRIVATE LIMITED</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3414200	36.44	3414200	36.44
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc)				
	Date wise Increase /Decrease - Nil	3414200	36.44	3414200	36.44
	At the End of the year	3414200	36.44	3414200	36.44
2.	<b>STOCK TRUST SECURITIES (INDIA) PRIVATE</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

## NAGARJUNA AGRI-TECH LIMITED

	At the beginning of the year	333024	3.55	333024	3.55
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	333024	3.55	333024	3.55
3.	<b>KSSIDC</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	250000	2.67	250000	2.67
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	250000	2.67	250000	2.67
4.	<b>ANS PVT LIMITED</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	90500	0.97	90500	0.97
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	90500	0.97	90500	0.97
5.	<b>R S T HOLDINGS PVT LTD</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	65600	0.70	65600	0.70
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	65600	0.70	65600	0.70
6.	<b>YMSH MANAGEMENT CONSULTANTS LLP</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	50000	0.53	50000	0.53
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	50000	0.53	50000	0.53
7.	<b>STOCK HOLDING CORPORATION OF INDIA LTD</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	49500	0.53	49500	0.53
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	49500	0.53	49500	0.53
8.	<b>RAEES HASAN</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	31000	0.33	31000	0.33
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	31000	0.33	31000	0.33
9.	<b>JYOTI VIKAS KASAT</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	30100	0.32	30100	0.32
	Date wise Increase /Decrease - Nil	0	0	0	0

## NAGARJUNA AGRI-TECH LIMITED

	Nil				
	At the End of the year	30100	0.32	30100	0.32
10.	<b>INDU DEVI</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	28400	0.30	28400	0.30
	Date wise Increase /Decrease - Nil	0	0	0	0
	At the End of the year	28400	0.30	28400	0.30

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Dr. K V L N Raju	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,77,208	5.09	4,77,208	5.09
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	4,77,208	5.09	4,77,208	5.09

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
Change in Indebtedness during the financial year				
Addition / Reduction	--	--	--	--
Net Change	--	--	--	--
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager: KVLN RAJU	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1)	--	--

## NAGARJUNA AGRI-TECH LIMITED

	of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2.	Stock Option	--				--
3.	Sweat Equity	--				--
4.	Commission - as % of profit - Others, specify...	--				--
5.	Others, please specify	--				--
6.	Total (A)	--				--
7.	Ceiling as per the Act	--				--
<b>B. Remuneration to other directors:</b>						
Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. Ravindra Kalidindi	Mr. Soma Raju Kallepalli	Mr. Viswanadha Raju Namburi	Mrs. Rama Devi Numburi	
	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--	--	--
	Total (1)	--	--	--	--	--
	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	--	--	--	--	--
	Total Managerial Remuneration	--	--	--	--	--
	Overall Ceiling as per the Act					
<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>						
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					

## NAGARJUNA AGRI-TECH LIMITED

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2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - Others, specify...				
5.	Others, please specify				
6.	Total				
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil</b>					

**For and on behalf of the Board of  
Nagarjuna Agri-Tech Limited**

**Place: Hyderabad  
Date: 08.07.2020**

**Sd/-  
K V L N Raju  
Managing Director  
(DIN: 00116664)**

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# NAGARJUNA AGRI-TECH LIMITED

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**NAGARJUNAAGRI TECH LIMITED**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the financial statements of NAGARJUNA AGRI TECH LIMITED (“the Company”), which comprise the balance sheet as at 31<sup>st</sup> March, 2020, the statement of profit and loss (including other comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## NAGARJUNA AGRI-TECH LIMITED

<b>Key audit matters</b>	<b>How the matter was addressed in our audit</b>
<p><b>Provisions for contingent liabilities</b></p> <p>The Company faces some of legal and regulatory proceedings. The determination of the provision and/or the level of disclosure required involves a high degree of judgement resulting in provisions and contingent liabilities being considered as a key audit matter. Refer note 24 of the financial statements.</p>	<p>We evaluated the design of, and tested, key controls in respect of litigation and regulatory procedures, which we found to be satisfactory for the purposes of our audit.</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We read the summary of litigation matters provided by the Company's legal team and discussed each of the material cases noted in the report to determine the Company's assessment of the likelihood and magnitude of any liability that may arise.</li> <li>• We read, where applicable, external legal or regulatory advice sought by the Company and reviewed related correspondence.</li> </ul>
<p><b>Evaluation of Uncertain tax positions</b></p> <p>The company has material uncertain tax position including which involves significant judgement to determine the possible outcome of these disputes.</p>	<p>We involved our internal experts to review the current position and nature of amount payable, the sustainability, likelihood of challenging the said demands raised.</p>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of accounts;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

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## NAGARJUNA AGRI-TECH LIMITED

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- e) on the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
- g) with respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the Ind AS financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon;
- iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund; therefore, delay in transferring such sums does not arise.

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

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

Place: Hyderabad  
Date: 29th June 2020

**ANNEXURE –A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Statement on the Companies (Auditor's Report) Order 2016**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, 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 Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - 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 in respect of agricultural land situated in Karnataka State are held in the name of the several individuals and the company has entered into an MoU accordingly. All the other assets are held in the name of company.
- ii. In respect of Inventories:

The company conducts physical verification of inventories at reasonable intervals and any material discrepancies noticed have been properly dealt in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- 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.

## NAGARJUNA AGRI-TECH LIMITED

- v. According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable. 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, income-tax, Goods and Service Tax, other material statutory dues have been regularly claimed and 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) details of dues of income tax which have not been deposited as at March 31, 2020 on account of dispute are given below

(Amount in Rs.)

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
The Income Tax Act, 1961	Tax arising on disallowance of Depreciation Claimed	15,31,797	AY 2009-10	Deputy Commissioner of Income tax 16(1), Hyderabad
The Income Tax Act, 1961	Interest on Delayed payment of Tax	14,112	AY 1997-98	Deputy Commissioner of Income tax 16(1), Hyderabad

- viii. The Company has not taken any loan or borrowings from a financial institution or bank and the Government. The Company has not issued any debentures during the year. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- 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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 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

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## NAGARJUNA AGRI-TECH LIMITED

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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 paid/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. 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 give 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: 29th June 2020

**ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**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 NAGARJUNAAGRI TECH LIMITED (“the Company”) as of 31<sup>st</sup> March 2020 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 Board of Directors of the Company 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. 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 Ind AS 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

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## NAGARJUNA AGRI-TECH LIMITED

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compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 2020, 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

Sd/-

B. Daivadheenam Reddy  
Partner

ICAI Membership No. : 026450

Place: Hyderabad  
Date: 29thJune2020

# NAGARJUNA AGRI-TECH LIMITED

## BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,75,47,082	2,69,30,944
(b) Financial assets			
Investments	4	1,16,96,962	1,12,93,725
(c) Other non-current assets	5	58,00,000	58,00,000
		<b>4,50,44,044</b>	<b>4,40,24,669</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	6	20,95,439	22,00,693
(ii) Cash and cash equivalents	7	22,83,550	35,27,486
(iii) Other Financial Assets	8	28,71,091	33,25,907
(b) Inventories		-	1,80,000
(c) Other current assets	9	3,03,269	7,07,947
		<b>75,53,349</b>	<b>99,42,033</b>
<b>Total Assets</b>		<b>5,25,97,393</b>	<b>5,39,66,702</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	9,36,91,000	9,36,91,000
(b) Other Equity	11	-4,56,54,232	-4,23,43,061
		<b>4,80,36,768</b>	<b>5,13,47,939</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	12	34,63,419	12,78,470
(ii) Other financial liabilities	13	10,97,206	8,26,998
(b) Other current liabilities	14	-	5,13,295
		<b>45,60,625</b>	<b>26,18,763</b>
<b>Total Equity and Liabilities</b>		<b>5,25,97,393</b>	<b>5,39,66,702</b>
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

B.Daivadheenam Reddy  
Partner  
Membership No.026450

Date : 29th June, 2020

Sd/-  
Dr. K. V. L. N. RAJU  
Managing Director  
DIN : 00116664

Sd/-  
Rimpy Chowdary  
Company Secretary  
Membership No: 44877

For and on behalf of the Board

Sd/-  
K. SOMA RAJU  
Director  
DIN : 00018539

Sd/-  
K Seethapathy Raju  
CFO

# NAGARJUNA AGRI-TECH LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	Revenue from Operations	15	3,02,87,366	3,10,50,571
II.	Other Income	16	12,391	3,64,406
III.	<b>Total Income (I + II)</b>		<b>3,02,99,757</b>	<b>3,14,14,977</b>
IV.	Expenses			
	Purchase of Stock in Trade		38,69,740	19,18,603
	Changes in Inventory		1,80,000	72,000
	Employee Benefit Expenses	17	20,91,539	18,25,435
	Depreciation and amortisation expense		17,81,025	18,24,835
	Other expenses	18	2,60,91,861	2,65,86,710
	<b>Total expenses (IV)</b>		<b>3,40,14,165</b>	<b>3,22,27,583</b>
V.	Profit/(Loss) before tax (III - IV)		<b>(37,14,408)</b>	<b>(8,12,606)</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>(37,14,408)</b>	<b>(8,12,606)</b>
VIII.	Other Comprehensive income			
	i. Items that will not be reclassified subsequently to profit or loss		4,03,237	5,36,367
	ii. Income tax relating to items that will not be reclassified to profit or loss			-
			<b>4,03,237</b>	<b>5,36,367</b>
IX.	Total Comprehensive Income for The Period (VII + VIII)		<b>(33,11,171)</b>	<b>(2,76,239)</b>
X.	Earnings per equity share from Continuing operations: 19			
	Basic and Diluted		<b>(0.35)</b>	<b>(0.03)</b>
	Summary of Significant Accounting Policies		3	

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

For and on behalf of the Board

As per our report of even date  
For Brahmayya & Co.,  
Chartered Accountants  
Firm's Regn.No.000514S

Sd/-  
Dr. K. V. L. N. RAJU  
Managing Director  
DIN : 00116664

Sd/-  
K. SOMA RAJU  
Director  
DIN : 00018539

B.Daivadheenam Reddy  
Partner  
Membership No.026450

Sd/-  
Rimpy Chowdary  
Company Secretary  
Membership No: 44877

Sd/-  
K Seethapathy Raju  
CFO

Date : 29th June, 2020

# NAGARJUNA AGRI-TECH LIMITED

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

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I. Cash flow from operating activities:</b>		
A. Profit/(Loss) before tax	(37,14,408)	(8,12,606)
B. Adjustment for non-cash transactions:		
a. Depreciation and amortization expenses	17,81,025	18,24,835
b. Fixed Assets Written Off	-	-
c. Impairment of Fixed Assets	5,00,105	8,86,222
d. Forex Fluctuations	(32,422)	50,694
	<b>22,48,708</b>	<b>27,61,751</b>
C. Adjustment for changes in working capital:		
a. Decrease / (increase) in inventories	1,80,000	72,000
b. Decrease / (increase) in trade receivables	1,37,676	18,66,630
c. Decrease / (increase) in other bank balances	-	-
d. Decrease / (increase) in other financial assets (Excluding fair value income)	4,54,816	(13,62,863)
e. Decrease / (increase) in other current and non-current assets	4,04,678	(3,31,827)
f. (Decrease) /Increase in trade payables	21,84,949	(15,036)
g. (Decrease) /Increase in other financial term liabilities	2,70,208	1,41,497
h. (Decrease) /Increase in other current liabilities	(5,13,295)	(14,807)
i. (Decrease) /Increase in provisions	-	-
	<b>31,19,032</b>	<b>3,55,594</b>
E. Cash generated from operations (A+B+C+D)	<b>16,53,331</b>	<b>23,04,739</b>
Less: Direct taxes (paid )/net of refunds	-	-
<b>Net cash flow from operating activities (I)</b>	<b>16,53,331</b>	<b>23,04,739</b>
<b>II. Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	(28,97,267)	(7,22,217)
b. Share Application Money returned	-	-
c. Investment in Equity Shares	-	-
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>(28,97,267)</b>	<b>(7,22,217)</b>
<b>III. Cash flows from financing activities</b>		
a. Interest paid for the year	-	-
<b>Net cash flow (used in) financing activities (III)</b>	<b>-</b>	<b>-</b>
<b>IV. Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>(12,43,936)</b>	<b>15,82,522</b>
Cash and cash equivalents at the beginning of the year	<b>31, 2020</b>	<b>31, 2019</b>
	35,27,486	19,44,964
<b>V. Cash and cash equivalents at the end of the year</b>	<b>22,83,550</b>	<b>35,27,486</b>
<b>VI. Components of cash and cash equivalents:</b>		
With banks:		
On Current Account	22,83,550	35,27,486
<b>Total cash and cash equivalents</b>	<b>22,83,550</b>	<b>35,27,486</b>

NOTES TO THE FINANCIAL STATEMENTS

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For and on behalf of the Board

As per our report of even date  
For Brahmayya & Co.,  
Chartered Accountants  
Firm's Regn.No.000514S

Sd/-  
Dr. K. V. L. N. RAJU  
Managing Director  
DIN : 00116664

Sd/-  
K. SOMA RAJU  
Director  
DIN : 00018539

B.Daivadheenam Reddy  
Partner  
Membership No.026450

Sd/-  
Rimpy Chowdary  
Company Secretary  
Membership No: 44877

Sd/-  
K Seethapathy Raju  
CFO

Date : 29th June, 2020

### 1. General Information

NAGARJUNAAGRITECH 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.

The financial statements are approved for issue by the Company's Board of Director's on 29th June, 2020.

### 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 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 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, 2019 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.

### **(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.

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.

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.

**(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.

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 IndAS).

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.

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.

The company has decided to provide for an impairment loss on Bearer Plants @ 15% of Gross Value as on 31st March, 2020 to commensurate with the normal wastage of plants purchased periodically. The wastage is not revenue generating and is scrapped.

**(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.

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:

##### (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:

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

**Impairment of Financial assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

The Company follows “Simplified approach” for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on historically observed default rates over the expected life of trade receivables.

- **Financial liabilities**

**Initial recognition and measurement**

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

## NAGARJUNA AGRI-TECH LIMITED

transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### (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.

### Statement of Changes in Equity

a. Equity share capital	Note	Amount	
As at 31st Mar 2019		9,36,91,000.00	
Changes in equity share capital during the year	10(a)	-	
As at 31st Mar 2020		<u>9,36,91,000.00</u>	

  

b. Other Equity	Retained earnings	Capital Reserve	Total Other Equity
Balance at 31st March, 2019	(4,97,15,111)	73,72,050	(4,23,43,061)
Changes in equity for the period ended 31st, March 2019			
Unquoted Equity measurement of fair value	4,03,237	-	4,03,237
Profit for the Year	(37,14,408)	-	(37,14,408)
Balance at 31st March, 2020	<u>(5,30,26,282)</u>	<u>73,72,050</u>	<u>(4,56,54,232)</u>

# NAGARJUNA AGRI-TECH LIMITED

Note 3 - Schedule of Property, Plant Equipments as at March 31, 2020

Carrying Amount	Bearer Plants	Buildings	Computer Equipment	Electrical Installation & Equipment	Furniture	Land	Office Equipment	Plant & Machinery	Vehicles	Total
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	12,16,76,961
Additions	6,02,030	-	-	36,532	-	-	-	1,28,775	-	7,67,337
Disposals	45,120	-	-	-	-	-	-	-	-	45,120
Impairment Loss/Other Adjustments	8,86,222	-	-	-	-	-	-	-	-	8,86,222
Closing Gross Carrying amount as on 31 March 2019	42,39,968	1,01,75,108	2,95,337	6,40,608	7,73,710	1,51,40,726	3,04,214	8,96,79,882	2,63,403	12,15,12,956
Additions	25,43,000	-	-	8,000	1,10,174	-	-	2,36,093	-	28,97,267
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment Loss/Other Adjustments	5,00,105	-	-	-	-	-	-	-	-	5,00,105
Closing Gross Carrying amount as on 31 March 2020	62,82,863	1,01,75,108	2,95,337	6,48,608	8,83,884	1,51,40,726	3,04,214	8,99,15,975	2,63,403	12,39,10,118
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-
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	9,27,57,177
Depreciation for the year	9,52,170	2,86,510	-	59,478	13,300	-	-	5,13,376	-	18,24,835
Closing Accumulated Depreciation as on 31 March 2019	14,70,935	76,84,413	2,94,902	1,03,945	6,55,889	-	2,89,003	8,38,19,521	2,63,403	9,45,82,011
Depreciation for the year	9,44,816	2,86,510	-	85,852	22,914	-	-	4,40,933	-	17,81,025
Accumulated Depreciation on Write off Asset	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation as on 31 March 2020	24,15,751	79,70,923	2,94,902	1,89,797	6,78,803	-	2,89,003	8,42,60,454	2,63,403	9,63,63,036
Net Carrying Amount as on 31 March 2018	40,50,515	27,77,206	435	5,95,608	1,31,121	1,51,40,726	15,211	62,44,962	-	2,89,19,784
Net Carrying Amount as on 31 March 2019	27,69,033	24,90,695	435	5,36,663	1,17,821	1,51,40,726	15,211	58,60,361	-	2,69,30,944
Net Carrying Amount as on 31 March 2020	38,67,113	22,04,185	435	4,58,811	2,05,081	1,51,40,726	15,211	56,55,521	-	2,75,47,082

## NAGARJUNA AGRI-TECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

#### NOTE NO: 4 Investments - Non Current

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments (unquoted)		
a Manu Vyapar Private Limited	94,81,665	
b Tramco Finance Private Limited	13,41,565	
c Bharath Safety Glasses Private Limited	8,73,732	
<b>TOTAL</b>	<b>1,16,96,962</b>	

#### NOTE NO: 5 Other Non Current Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a Capital Advances	58,00,000	58,00,000
<b>TOTAL</b>	<b>58,00,000</b>	<b>58,00,000</b>

#### NOTE NO: 6 Trade Receivables

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good	20,95,439	22,00,693
<b>TOTAL</b>	<b>20,95,439</b>	<b>22,00,693</b>

#### NOTE NO: 7 Cash & Cash Equivalents

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a Cash in hand	4,48,371	2,15,467
b Balances in Bank a/c's	18,35,179	33,12,019
<b>TOTAL</b>	<b>22,83,550</b>	<b>35,27,486</b>

## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 8 Other Financial Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a Due with Statutory Authorities	14,64,496	9,85,712
b Deposits with Banks	-	-
c Other Receivables	5,48,000	15,00,000
d Security Deposits	8,58,595	8,40,195
<b>TOTAL</b>	<b>28,71,091</b>	<b>33,25,907</b>

### NOTE NO: 9 Other Current Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a Salary Advance	-	-
b Advances for Purchases and Expenses	67,498	2,92,167
c Other Assets	2,35,771	4,15,771
<b>TOTAL</b>	<b>3,03,269</b>	<b>7,07,938</b>

### NOTE NO: 10 Equity Share Capital:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
A. Authorised Share Capital: 1,00,00,000 Equity Shares of Rs.10/- each	-	-
B. Issued, Subscribed and Fully Paid up share capital: 93,69,100 Equity Shares of Rs.10/- each fully paid up	10,00,00,000	10,00,00,000
	<b>9,36,91,000</b>	<b>9,36,91,000</b>

## NAGARJUNA AGRI-TECH LIMITED

- C. Reconciliation of the shares outstanding at the beginning and at the end of year:  
Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the  
Companies Act, 2013

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a. In no. of Shares	-	-
At the beginning of the year	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
b. In value of Shares	-	-
At the beginning of the year	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

**D. Rights attached to the Equity Shares:**

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013

- 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.

## NAGARJUNA AGRI-TECH LIMITED

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E. Details of Shareholders holding more than 5% shares in the company:

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013

Equity Shares:

a	Subhkam Ventures (I) Private Limited	36.44%	36.44%
b	Jinnur Investments Private Limited	22.77%	22.77%

F. Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule III to the Companies Act, 2013

Shares reserved for issue under options and contracts /

commitments for the sale of shares / disinvestment;      NIL      NIL

G. Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule III to the Companies Act, 2013

Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceeding the Balance Sheet date

NIL      NIL

Aggregate number of bonus shares (Equity) issued in the last five years immediately preceeding the Balance Sheet date

NIL      NIL

Aggregate number of equity shares bought back in the last five years immediately preceeding the Balance Sheet date

NIL      NIL

H. Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule III to the Companies Act, 2013

Securities convertible into equity / preference shares issued

NIL      NIL

## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 11 Other Equity

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a Capital Reserves	73,72,050	73,72,050
b Retained Earnings		
At the beginning of the period	(4,97,15,111)	(4,94,38,872)
Profit for the period	(33,11,171)	(2,76,239)
At the end of the period	(5,30,26,282)	(4,97,15,111)
<b>Total</b>	<b>(4,56,54,232)</b>	<b>(4,23,43,061)</b>

### NOTE NO: 12 Trade Payables - Current:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
a Total outstanding dues of micro enterprises and small enterprises	-	-
b Total outstanding dues of Creditors other than micro enterprises and small enterprises	34,63,419	12,78,470.00
<b>Total</b>	<b>34,63,419</b>	<b>12,78,470</b>

### NOTE NO: 13 Other Financial Liabilities

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a Non Trade Payables	10,46,165	7,55,941
b Due to Statutory Authorities	51,040	71,057
<b>TOTAL</b>	<b>10,97,205</b>	<b>8,26,998</b>

### NOTE NO: 14 Other Current Liabilities

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Advances received from Customers	-	5,13,295
	-	<b>5,13,295</b>

## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 15 Revenue from Operations:

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
a Export Sales	1,61,01,976	1,82,76,572
b Domestic Sales	1,32,95,563	1,22,51,358
c Subsidy received from ICEGATE	0	629
d Duty Drawback received from DGFT	8,89,827	5,22,012
<b>TOTAL</b>	<b>3,02,87,366</b>	<b>3,10,50,571</b>

### NOTE NO: 16 Other Income

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
a Interest Received	12,391	3,64,406
<b>TOTAL</b>	<b>12,391</b>	<b>3,64,406</b>

### NOTE NO: 17 Employee benefit Expenses

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
a Salaries	18,17,500	16,49,000
b Staff Welfare Expenses	2,74,039	1,76,435
<b>TOTAL</b>	<b>20,91,539</b>	<b>18,25,435</b>

## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 18 Other Expenses

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
a Fertilizers & Pesticides Consumed	70,33,663	52,44,383
b Wages	68,70,432	62,48,757
c Power & Fuel	15,64,071	15,59,497
d Plant Maintenance	15,75,169	36,75,837
e Repairs & Maintenance	1,65,864	2,16,982
f Travelling & Conveyance	2,57,744	2,40,753
g Printing & Stationery	42,580	19,982
h Rent	1,49,880	2,05,240
i Forex Fluctuations	-3,12,308	-42,798
j Rates & Taxes	35,000	70,000
k Auditors Remuneration		
i As Auditors	1,77,000	1,77,000
l Professional Charges	11,04,698	10,64,751
m Bank Charges & Commission	6,20,987	3,43,518
n Directors Remuneration	0	3,60,000
o Freight, Clearing & Forwarding Charges	38,90,575	40,72,544
p Packing Material Consumed	9,10,215	8,63,717
q Advertisement	24,286	24,940
r Loading & Unloading	0	3,24,000
s Assets Written Off	0	0
t Impairment Loss	5,00,105	7,56,192
u Other Expenses		
i Listing Fee	4,36,357	3,46,081
ii Brokerage	25,000	5,000
iii Miscellaneous	10,20,543	8,10,334
<b>Total</b>	<b>2,60,91,861</b>	<b>2,65,86,710</b>

## NAGARJUNA AGRI-TECH LIMITED

### 19. Earnings per share (EPS)

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

Amount in Rs.

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
(a) Profit/ (loss) for the period attributable to shareholders	(37,14,408)	(8,12,606)
(b) Weighted average number of equity shares (including share capital suspense) in calculating basic/diluted EPS	9,36,91,000	9,36,91,000
(c) Earnings per equity share (Basic and Diluted) - (a) / (b)	(0.35)	(0.04)

### 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

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(i) <b>Remuneration</b> Remuneration paid to Managing Director	-	3,60,000
(ii) <b>Reimbursement of Expenses</b> Reimbursement of Travelling Expenses to Managing Director	2,38,256	1,29,255

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## NAGARJUNA AGRI-TECH LIMITED

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

Particulars	As at March 31, 2020	As at March 31, 2019
<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
<b>Travel Expenses Payable</b>		
KVLN Raju	55,280	33,603

### 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:

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## NAGARJUNA AGRI-TECH LIMITED

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- (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 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, 2020	As at March 31, 2019
<b>Financial assets measured at FVTPL</b>	-	-
Investment in equity (Level-2)	1,16,96,962	1,12,93,725

During the year ended March 31, 2019, March 31, 2018 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

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## NAGARJUNA AGRI-TECH LIMITED

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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, 2019.

### 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.

### 24. Commitments and Contingencies

#### A. Contingent Liabilities:

1. 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.
2. Claims against the company not acknowledged as debts and not provided being disputed and pending in appeals/ Assessments in respect of:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Claim of tax by income tax department vide Order u/s 154 Dt : 07.09.2011 in relation to disallowance of depreciation claimed for the AY 2009-10	15,31,797	15,31,797
Claim of tax by income tax department vide Order u/s 220(2) Dt: 26.03.2015 for AY 1997-98	14,112	14,112

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## NAGARJUNA AGRI-TECH LIMITED

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### B. Commitments:

Estimated Value of contracts remaining to be executed on capital account not provided for (Net of Advances): ₹ Nil (March 31, 2020 ₹ Nil, March 31, 2019 ₹Nil)

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

As per our report of even date  
For Brahmayya & Co.,  
Chartered Accountants  
Firm's Regn.No.000514S

B.Daivadheenam Reddy  
Partner  
Membership No.026450

Date : 29th June, 2020

For and on behalf of the Board

Sd/-  
Dr. K. V. L. N. RAJU  
Managing Director  
DIN : 00116664

Sd/-  
Rimpy Chowdary  
Company Secretary  
Membership No: 44877

Sd/-  
K. SOMA RAJU  
Director  
DIN : 00018539

Sd/-  
K Seethapathy Raju  
CFO

*If undelivered please return to :*

**Nagarjuna Agri-Tech Limited**

56 Nagarjuna Hills, Panjagutta,  
Hyderabad- 500082, Telangana, India.