

# **NAGARJUNA AGRI-TECH LIMITED**

**31st  
ANNUAL REPORT  
2018-2019**

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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)

### REGISTERED OFFICE:

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

**CIN: L01119AP1987PLC007981**

### STATUTORY AUDITORS:

M/s. Brahmayya & co.  
Chartered Accountants  
Adoni-518301

### INTERNAL AUDITORS:

M/s. B S K S & Co.,  
Sri Krishna Residency, Flat No 104,  
Yellareddyguda, Hyderabad - 500073,  
Nagarjuna Nagar Colony,

### 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.

### REGISTRAR & SHARE TRANSFER AGENTS:

#### **XL Softech Private Limited**

#3 Sagar Society Road no.2 Banjara Hills, Hyderabad – 500034  
Phone Number:23545913/14/15.

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## NAGARJUNA AGRI-TECH LIMITED

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**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 31<sup>st</sup> Annual General Meeting of members of M/s. Nagarjuna Agri-Tech Limited will be held on Saturday, the 28<sup>th</sup> day of September, 2019 at 11.30 A.M. at the Registered Office of the Company at Nagarjuna Agri-Tech Limited 56 Nagarjuna Hills Panjagutta Hyderabad- 500082, Telangana, India to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019, 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 Mrs. N. Rama Devi (DIN:06970266) who retires by rotation and being eligible, offers herself, for re-appointment.

#### SPECIAL BUSINESS:

#### 3. RE-APPOINTMENT OF MR. K. SOMA RAJU (DIN: 00018539) AS INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, **Mr. K. Soma Raju (DIN: 00018539)**, who was appointed as an Independent Director of the Company for a term up to 29<sup>th</sup> September, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose **Mr. K. Soma Raju** as a candidate for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years with effect from 30<sup>th</sup> September, 2019 to 29<sup>th</sup> September, 2024 and whose office shall not be liable to retire by rotation”.

“**RESOLVED FURTHER THAT** Mr.K V L N Raju, Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or

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## NAGARJUNA AGRI-TECH LIMITED

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expedient to give effect to this Resolution and matters incidental thereto”

#### 4. RE-APPOINTMENT OF MR. K. RAVINDRA(DIN: 00021440) AS INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘Listing Regulations’), and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, **Mr. K. Ravindra(DIN: 00021440)**, who was appointed as an Independent Director of the Company for a term up to 29<sup>th</sup> September, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose **Mr. K. Ravindra** as a candidate for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years with effect from 30<sup>th</sup> September, 2019 to 29<sup>th</sup> September, 2024 and whose office shall not be liable to retire by rotation”.

“**RESOLVED FURTHER THAT** Mr.K V L N Raju, Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

#### 5. ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

““**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and any other applicable provisions of the Companies Act, 2013 (“**the Act**”), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company by merging the Objects of the Company mentioned under **Clause III (C) – „Other Objects”** with **Clause III (B) – „Objects Incidental or Ancillary to the attainment of the Main Objects**

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and consequently changing the object numbering as may be appropriate;

**RESOLVED FURTHER THAT** in accordance with the Table A of the Schedule I of the Act, the Clause III (A) and III (B) of the Memorandum of Association of the Company, be renamed as under:

Clause III (A) – The objects to be pursued by the Company are:

Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

**RESOLVED FURTHER THAT** Mr. K. V. L. N. Raju, Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

### 6. **ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013:**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** Mr. K. V. L. N. Raju, Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

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

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

**Place: Hyderabad**  
**Date: 10.08.2019**

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### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2019 to 28.09.2019 (Both days inclusive).
3. Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. 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.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. 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

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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 System Ltd.)

9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
11. 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 System Ltd., Share Transfer Agents of the Company for their doing the needful.
12. 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.
13. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
14. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
15. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. XL Softech System Ltd.)
16. 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 System Ltd., Share Transfer Agents of the Company for their doing the needful.
17. In respect of shares held in physical mode, all shareholders are

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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 transfer/ transmission/ transposition, Demat /Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

18. 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.
19. 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 Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
20. Electronic copy of the Annual Report for 2018-2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-2019 is being sent in the permitted mode.
21. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com). for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [natl@rediffmail.com](mailto:natl@rediffmail.com).
22. SEBI has decided that securities of the listed companies can be transferred only in dematerialized form which effective from 01.04.2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
23. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement directly in the Company are requested to intimate the

Company through a declaration in form BEN-1.

#### **24. Voting through Electronic Means (E-Voting Facility)**

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, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. 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.

The remote e-voting period commences on September 25, 2019 (09.00 am) to September 27, 2019 (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.

A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at [www.nagarjunaagritechlimited.com](http://www.nagarjunaagritechlimited.com). However, if the person is already registered with the CDSL for remote e-voting then the existing user ID & password can be used for casting vote.

#### **25. The instructions for shareholders voting electronically are as under:**

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on Shareholders.

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- 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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- vii. After entering these details appropriately, click on “SUBMIT” tab.
- 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the same 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

26. Note for Non – Individual Shareholders and Custodians

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- 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 Corporate.
  - 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).
  - 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.
  - The list of accounts 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.
  - 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.
  - 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).
27. 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.
28. The Results shall be declared on or after the AGM of the Company. 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.
29. 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. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company’s Registrar and Share Transfer Agents.

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30. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

<b>Name of the Director</b>	MR. K. SOMA RAJU	MR. K. RAVINDRA
<b>Date of Birth</b>	15.07.1951	05.08.1971
<b>Qualification</b>	B.Com, FCA	MBA
<b>Expertise in specific functional areas</b>	Financial, Tax Planning, Advisory Services	Supply Chain Systems Management
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	-	-
<b>Shareholding of non-executive directors.</b>	-	-
<b>No. of Shares held in the Company</b>	-	-
<b>Inter se relationship with any Director</b>	None	None

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

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

**Place: Hyderabad**  
**Date: 10.08.2019**

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

#### ITEM NO.3:

Mr. K. **Soma Raju**(DIN: **00018539**) is an Independent Director of the Company. The Members at the 26<sup>th</sup> AGM of the Company held on September 30, 2014 had approved the appointment of Mr. **Soma Raju Kallepalli** as an Independent Director of the Company to hold office for a term of 5 (five) years up to September 29<sup>th</sup> 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term up to five consecutive years on the Board of a Company. Pursuant to recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. **K.Soma Raju**, being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a member proposing the re-appointment of Mr. K. **Soma Raju** for the office of Independent Director, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from 30<sup>th</sup> September, 2019 up to 29<sup>th</sup> September, 2024.

Mr. K. **Soma Raju** is a Member of the Audit Committee and the Nomination and Remuneration Committee and Stakeholder relationship committee of the Board of Directors of the Company. Mr. K. **Soma Raju** has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25 of the Listing Regulations. The Company has received necessary declarations / disclosure / confirmation from Mr. K. **Soma Raju** as required under the Act and Listing Regulations. Copy of the draft letter for re-appointment of Mr. K. **Soma Raju** as an Independent Director setting out terms and conditions would be available for inspection by the members of the Company at the Registered Office and Corporate Office of the Company on all working days during business hours up to the date of 31<sup>st</sup> AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. **Soma Raju Kallepalli** as an Independent Director and based on the performance evaluation, recommends the Special Resolution as set out at Item No. 3 of the Notice of the AGM for approval of the members. The Resolution and Explanatory Statement may be considered as sufficient

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disclosure and information under the statutory provisions as may be applicable, relevant or necessary.

Save and except Mr. **Soma Raju Kallepalli** and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 3 of the Notice.

The Board recommends the passing of Special Resolution as set out at Item No. 3 of the accompanying Notice.

### **ITEM NO.4:**

Mr. K. Ravindra (DIN: 00021440) is an Independent Director of the Company. The Members at the 26<sup>th</sup> AGM of the Company held on September 30, 2014 had approved the appointment of Mr. Ravindra Kalidindi as an Independent Director of the Company to hold office for a term of 5 (five) years up to September 29, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term up to five consecutive years on the Board of a Company. Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Ravindra Kalidindi, being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a member proposing the re-appointment of Mr. K. Ravindra for the office of Independent Director, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from 30<sup>th</sup> September, 2019 up to 29<sup>th</sup> September, 2024.

Mr. K. Ravindra is a Member of the Audit Committee and the Nomination and Remuneration Committee and Stakeholder Relationship Committee of the Board of Directors of the Company. Mr. K. Ravindra has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25 of the Listing Regulations. The Company has received necessary declarations / disclosure / confirmation from Mr. K. Ravindra as required under the Act and Listing Regulations. Copy of the draft letter for re-appointment of Mr. K. Ravindra as an Independent Director setting out terms and conditions would be available for inspection by the members of the Company at the Registered Office and Corporate Office of

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## NAGARJUNA AGRI-TECH LIMITED

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the Company on all working days during business hours up to the date of 31<sup>st</sup> AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. Ravindra as an Independent Director and based on the performance evaluation, recommends the Special Resolution as set out at Item No. 4 of the Notice of the AGM for approval of the members. The Resolution and Explanatory Statement may be considered as sufficient disclosure and information under the statutory provisions as may be applicable, relevant or necessary.

Save and except Mr. Ravindra Kalidindi and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 4 of the Notice.

The Board recommends the passing of Special Resolution as set out at Item No. 4 of the accompanying Notice.

### ITEM NO.5

The Companies Act, 2013, has prescribed a new format of Memorandum of Association (“**MOA**”) for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging the Objects under **Clause III (C) – “ Other Objects' with Clause III(B) – (B) – 'Objects Incidental or Ancillary to the attainment of the Main Objects'**  and also to rename the **Clause III (A) and III (B) of the Clause.**

A copy of the existing and proposed MOA would be available for inspection by the members at the registered office of the company on all working days.

The Board of directors recommends the resolutions set out at Item No. 5 for the approval of the members of the company as a special resolution.

None of the directors, key managerial personnel or their relatives is, in any way, concerned or interested in this resolution except to the extent of their shareholding in the company.

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## **NAGARJUNA AGRI-TECH LIMITED**

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### **ITEM NO.6**

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act. It is therefore considered expedient to replace the existing AOA with an entirely new set of AOA. The substitution of the existing AOA with the new AOA is proposed to align the AOA of the Company with the provisions of the Companies Act, 2013.

A copy of the existing and proposed AOA would be available for inspection by the members at the registered office of the company on all working days.

None of the directors, key managerial personnel or their relatives is, in any way, concerned or interested in this resolution except to the extent of their shareholding in the company.

The Board of directors recommends the resolutions set out at Item No. 5 for the approval of the members of the company as a special resolution.

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

**Sd/-**

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

**Place: Hyderabad  
Date: 10.08.2019**

# 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, 2019.

### 1. Financial summary/highlights:

The performance during the period ended 31<sup>st</sup> March, 2019 has been as under:

(Amount In Rs.)

Particulars	2018-19	2017-18
Turnover/Income (Gross)	3,05,28,559	3,01,87,033
Other Income	8,86,418	3,30,010
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	10,12,229	31,49,691
Less: Depreciation/ Amortization/ Impairment	18,24,835	14,21,717
Profit /loss before Finance Costs, Exceptional items and Tax Expense	10,12,229	45,71,398
Less: Finance Costs	--	--
Profit /loss before Exceptional items and Tax Expense (8,12,606)		31,49,681
Add/(less): Exceptional items	--	--
Profit /loss before Tax Expense	(8,12,606)	31,49,681
Less: Tax Expense (Current & Deferred)	--	--
Profit /loss for the year (1)	(8,12,606)	31,49,681
Total Comprehensive Income/loss (2)	5,36,367	--
Total (1+2)	--	--
Balance of profit /loss for earlier years	(2,76,239)	31,49,681
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	(2,76,239)	31,49,681

**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. 2,76,239 as against the income of Rs. 3,05,17,043/- and profit of Rs.31,49,681/- in the previous financial year ending 31.03.2019. The Company is looking forward for good profit margins in near future.

**3. Dividend:**

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

**4. 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.

**5. 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.

**6. 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.

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

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2019.

**8. Revision of financial statements:**

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

**9. 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.

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**10. Deposits from public:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2019 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2019, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

**11. Depository System:**

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

**12. Selection and procedure for nomination and appointment of directors:**

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. The role of the NRC encompasses conducting a gap

analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates' vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

### **13. 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.

### **14. 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 manufacturing activities and were also introduced to Company's staff.

### **15. Independent director's familiarization programmes:**

The familiarization program aims to provide the Independent Directors with the scenario within the software technology/services, 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)

### 16. Board's performance evaluation:

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

- i. Board of Directors as a whole.
- ii. Committees of the Board of Directors.
- iii. Individual Directors including the Chairman of the Board of Directors.

Pursuant to the provisions of the Act and in line with the requirements the Listing Regulations, Annual Performance Evaluation was conducted after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Managing Director and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

The criteria for Board processes included Board composition, strategic orientation and team dynamics. Evaluation of each of the Board Committees covered whether they have well-defined objectives and the correct composition, and whether they achieved their objectives. The criteria for Individual Board Members included skills, experience, level of preparedness, attendance, extent of contribution to Board debates and discussion, and how each Director leveraged their expertise and networks to meaningfully contribute to the Company. The criteria for the Chairperson's evaluation included leadership style and conduct of Board meetings. The performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the management.

### 17. 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 21.05.2018

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(21st of May 2018), 14.08.2018 (14th of August 2018), 14.11.2018(14th of November 2018) and 13.02.2019(13th of February 2019).

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 13.02.2019.

### 18. 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 and Risk Management Committee. The details of composition of the Committees, their meeting and attendance of the members are:

### 19. Audit Committee:

The Committee comprises of the following:

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

- I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- II. The terms of reference of the Audit Committee include a review of the following:
  - 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.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

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- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  1. Any changes in accounting policies and practices;
  2. Qualification in draft audit report;
  3. Significant adjustments arising out of audit;
  4. The going concern concept;
  5. Compliance with accounting standards;
  6. Compliance with stock exchange and legal requirements concerning financial statements and
  7. Any related party transactions
    - Reviewing the company's financial and risk management's policies.
    - Disclosure of contingent liabilities.
    - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
    - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
    - Discussion with internal auditors of any significant findings and follow-up thereon.
    - Reviewing the findings of any internal investigations by the internal auditors into the 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.
    - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
    - Reviewing compliances as regards the Company's Whistle Blower Policy.

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## NAGARJUNA AGRI-TECH LIMITED

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III. The previous Annual General Meeting of the Company was held on 29.09.2018 and Chairman of the Audit Committee, attended previous AGM.

IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Regulation 27 of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee.

During the financial year 2018-19, (4) four meetings of the Audit Committee were held on the 17.05.2018, 09.08.2018, 12.11.2018, and 13.02.2019.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

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

NED (I): Non-Executive Independent Director

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

### 20. Nomination & Remuneration Committee:

The Committee comprises of the following:

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

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

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## NAGARJUNA AGRI-TECH LIMITED

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To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

### 21. Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

None of the Directors is drawing any Commission, Perquisites, Retirement benefits etc.,

The details of composition of the Committee post reconstitution are given below:

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

NED (I): Non-Executive Independent Director

### 22. Risk Management Committee:

#### A.) Composition:

The Committee comprises of the following:

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

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.

### **23. Risk Management Policy:**

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

### **24. Stakeholders Relationship Committee:**

#### **A.) Composition:**

The Committee comprises of the following:

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

Role and Responsibilities of the Committee includes the following:

#### **B) Powers:**

The Committee has been delegated with the following powers:

To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.

To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)

Consolidate and sub-division of share certificates etc.

To redress, approve and dispose of any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

### **25. Policy for Selection of Directors and Determining Directors' Independence:**

- Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

- Policy:

Qualifications and criteria

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
  - General understanding of the company's business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the Companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the companies Act, 2013.

Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not

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## NAGARJUNA AGRI-TECH LIMITED

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interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director Service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees

- 1. Scope:
  - 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.
- 2. Terms and Reference:

In this policy the following terms shall have the following meanings:

  - 2.1 "Director" means a Director appointed to the Board of the company.
  - 2.2 "key managerial personnel" means
    - (i) The Chief Executive Officer or the managing director or the manager;
    - (ii) The company secretary;
    - (iii) The whole-time director;

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- (iv) The chief finance Officer; and
  - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 “Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
3. Policy:
- 3.1 Remuneration to Executive Director and Key Managerial Personnel
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retrial benefits
  - (v) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non – Executive Directors
- 3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the

meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## 26. Skills / Expertise / Competencies of the Board of Directors;

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- a) Knowledge on Company's businesses (Plantations and Instant Coffee), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- b) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- d) Financial and Management skills.
- e) Technical / Professional skills and specialized knowledge in relation to Company's business.

## 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

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## NAGARJUNA AGRI-TECH LIMITED

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### 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 eth 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 four Directors, out of those three are Independent Directors including one Woman Independent Director.

a) Re-Appointment of Independent 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, Mrs. Rama Devi Numburi (DIN 06970266) is liable to retire by rotation at the ensuing 31st Annual General Meeting and being
- (ii) Re-appointment of Mr. Soma Raju Kallepalli (holding Director Identification Number 00018539) as independent director for the second consecutive term commencing from 30th September, 2019 to 29th September, 2024;
- (iii) Re-appointment of Mr. Ravindra Kalidindi(holding Director Identification Number 00021440) as independent director for the second consecutive term commencing from 30th September, 2019 to 29th September, 2024;

**b) Key Managerial Personnel:**

Key Managerial Personnel for the financial year 2018-19

- Mr. Venkatalakshmi Narasimha Raju Kosuri, Managing Director of the company.
- Mr. Soma Raju Kallepalli, Director of the company.
- Mr. Viswanadha Raju Namburi, Director of the company.
- Mrs. Rama Devi Numburi, Director of the company.

- Mr. Ravindra Kalidindi, Director of the company.

During the year under review, there is no fresh appointment or resignation of the directors.

### **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, Hyderabad (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. In terms of the first proviso to Section 139 (1) of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Brahmayya & Co. Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders at the Annual General Meeting.

The Board of Directors recommended their re-appointment ratification for the financial year 2019-20. The Auditors' Report for the financial year 2018-19 is enclosed with the financial statements in this Annual Report.

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 by M/s. B S K S & Co., the Internal Auditor of the Company.

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.

The Board has re-appointed M/s. B S K S & Co., Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2019-20.

### **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, 2019

The Secretarial Audit was carried out by Mr. K.V. Chalama Reddy, Company Secretaries (CP No. 5451) for the financial year ended March 31, 2019. 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, 2019 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 is at the same that the company has not appointed company secretary and Chief Financial Officer 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 2018-19, 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

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## NAGARJUNA AGRI-TECH LIMITED

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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. Code of Conduct for Prevention of Insider Trading:**

During the year, Nagarjuna Agri-Tech Limited has amended the Code of Conduct for Prevention of Insider Trading in NGTL ("Code") in accordance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, which is effective from April 01, 2019. The amended Code is uploaded on the website of the Company. The objective of the Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons and their immediate relatives.

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)

### **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. 100000000/- 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 2019, 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 2019 and of the profit and loss of the Company for the financial year ended 31st March 2019;
- 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. 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.

### **52. 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 2018-19, 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.

### **53. 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.

### **54. 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.

**55. 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.

**56. 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.palred.com](http://www.palred.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.

**57. 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 21st 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.

**58. Other Disclosures:**

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

**59. 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**

**Sd/-**

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

**Place: Hyderabad**

**Date: 10.08.2019**

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## **NAGARJUNA AGRI-TECH LIMITED**

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### **CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2018-19**

The shareholders,

#### **Code of Conduct**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

#### **Certificate of Code of Conduct for the year 2018-2019 as per Regulation 17(5) read with Regulation 34 (3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

NAGARJUNAAGRI TECH LIMITED is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all Director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-2019.

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

**Sd/-**

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

**Place: Hyderabad  
Date: 10.08.2019**

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# NAGARJUNA AGRI-TECH LIMITED

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## Annexure- II

### FORM MR-3

#### SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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.

1. 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, 2018 and ended 31<sup>st</sup> March, 2019 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:
2. 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, 2019 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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3. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2018-19:-
- 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, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 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, 2009; **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, 1998. (up to 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September, 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

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## NAGARJUNA AGRI-TECH LIMITED

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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.
4. In view of the Management, there were no specific industrial acts applicable to the Company.
  5. I have also examined compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of General and Board meetings of the Company.
    - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
    - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.
  6. I, further report that:
    - a. The Company has not appointed key managerial personnel in terms of Section 203 of the Companies Act 2013 and rules made there under.
    - b. The Company has not arranged the advertisement of notice of board meetings in the newspapers for announce of quarterly results and also publication of financial results.
  7. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:
  8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.

**Place: Hyderabad**  
**Date: 10.08.2019**

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

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## NAGARJUNA AGRI-TECH LIMITED

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### Annexure A

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.

**Sd/-**

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

**Place: Hyderabad**  
**Date: 10.08.2019**

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## NAGARJUNA AGRI-TECH LIMITED

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To  
The Members  
M/s. Nagarjuna Agri-Tech Limited  
Hyderabad

**Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015**

I, K.V.Chalama Reddy, Practicing Company Secretary, have examined the Company and Registrar of Companies records, books and papers of M/s. Nagarjuna Agri-Tech Limited (CIN: L01119AP1987PLC007981) having its Registered Office at 56 Nagarjuna Hills, Panjagutta, Hyderabad-500082, Telangana, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2019.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

**List of Directors of the Company as on 31st March, 2019**

S. No	DIN No	Name of the Director	Designation
1.	00116664	Mr. K.V.L.N Raju	Managing Director
2.	00021440	Mr. Ravindra Kalidindi	Independent Director
3.	00018539	Mr. Soma Raju Kallepalli	Independent Director
4.	00119584	Mr. Viswanadha Raju Namburi	Non-Executive- Non Independent
5.	06970266	Mrs. Rama Devi Numburi	Non-Executive- Non Independent

K.V.Chalama Reddy  
Practicing Company Secretary  
C.P.No: 5451

Place: Hyderabad  
Date: 10.08.2019

# NAGARJUNA AGRI-TECH LIMITED

## Annexures-F to the Director's Report MGT 9

### Extract of Annual Return

Ason the Financial Year 31.03.2019

[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) <b>Category-wise Share Holding: -</b>									
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	4,76,206	0	4,76,206	5.08	4,81,709	0	4,81,709	5.14	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	24,58,405	0	24,58,405	26.24	24,58,405	0	24,58,405	26.24	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (1) :-</b>	<b>29,34,611</b>	<b>0</b>	<b>29,34,611</b>	<b>31.32</b>	<b>29,40,114</b>	<b>0</b>	<b>29,40,114</b>	<b>31.38</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0

## NAGARJUNA AGRI-TECH LIMITED

b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>29,34,611</b>	<b>0</b>	<b>29,34,611</b>	<b>31.32</b>	<b>29,40,114</b>	<b>0</b>	<b>29,40,114</b>	<b>31.38</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	49500	49500	.53	0	49500	49500	.53	0
b) Banks / FI	0	250000	250000	2.67	0	250000	250000	2.67	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>299500</b>	<b>299500</b>	<b>3.20</b>	<b>0</b>	<b>299500</b>	<b>299500</b>	<b>3.20</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	3897355	95600	3992955	42.62	3894824	94600	3989424	42.58	-0.09
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	824926	1144800	1969726	21.02	844454	1123300	1967754	21.00	-0.10

## NAGARJUNA AGRI-TECH LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	561205	26900	588105	6.28	566708	26900	593608	6.34	0.94
c) Others (specify)									
Clearing Member	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
Foreign National	0	0	0	0	0	0	0	0	0
Corporate Body- others	0	0	0	0	0	0	0	0	0
NBFC	0	0	0	0	0	0	0	0	0
NRIs	0	0	0	0	0	0	0	0	0
NRIs Repatriable	59809	0	59809	0.64	59809	0	59809	0.64	0
NRIs Non-Repatriable	600	0	600	0.01	600	0	600	0.01	0
HUF	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2) -</b>	<b>5343895</b>	<b>1267300</b>	<b>6611195</b>	<b>70.56</b>	<b>5366395</b>	<b>1244800</b>	<b>6611195</b>	<b>70.56</b>	<b>-38.27</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>5343895</b>	<b>1566800</b>	<b>6910695</b>	<b>73.76</b>	<b>5366395</b>	<b>1544300</b>	<b>6910695</b>	<b>73.76</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>8278506</b>	<b>1566800</b>	<b>9845306</b>	<b>100.00</b>	<b>8306509</b>	<b>1544300</b>	<b>9850809</b>	<b>100.00</b>	<b>0</b>
<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	21,33,405	21,33,405	22.77	2133405	2133405	22.77	0	

## NAGARJUNA AGRI-TECH LIMITED

2.	KRISHNA HOLDINGS PVT LTD	3,25,000	3,25,000	3.47	325000	325000	3.47	0
3.	K V L N Raju	4,71,705	4,71,705	5.03	4,77,208	4,77,208	5.09	
4.	Lakshmi Raju K	4,501	4,501	0.05	4501	4501	0.05	
	<b>Grand Total 1+2</b>	<b>29,34,611</b>	<b>29,34,611</b>	<b>31.32</b>	<b>29,40,114</b>	<b>29,40,114</b>	<b>31.38</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change).**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	K V L N Raju				
	At the beginning of the year	4,71,705	5.03	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.) Purchase-	5503	0.06	5503	0.06
	At the End of the year			4,77,208	5.09

**(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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>SUBHKAM VENTURES (I) PRIVATE LIMITED</b>				
	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	0	0	0	0
	At the End of the year	3414200	36.44	3414200	36.44
2	<b>Ashish Dhawan</b>				
	At the beginning of the year	471705	5.03	477208	5.09
	Date wise Increase /Decrease - At the End of the year	471705	5.03	477208	5.09
3	<b>STOCK TRUST SECURITIES (INDIA) PRIVATE</b>				
	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

## NAGARJUNA AGRI-TECH LIMITED

4	<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
5	<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
6	<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
7	<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
8	<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
9	<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
10	<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
	At the End of the year	30100	0.32	30100	0.32

# NAGARJUNA AGRI-TECH LIMITED

**(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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. K V L N Raju				
	At the beginning of the year	4,71,705	5.03	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.) Purchase- 21.07.2017	0	0	0	0
	At the End of the year	4,71,705	5.03	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	0	0		0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>		<b>0</b>
Change in Indebtedness during the financial year Addition / Reduction	0	0		0
Net Change	0	0		0
<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	0	0		0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>		<b>0</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) 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	471748	471748
2.	Stock Option	0	--
3.	Sweat Equity	0	--
4.	Commission - as % of profit - Others, specify...	0	--
5.	Others, please specify	0	--

# NAGARJUNA AGRI-TECH LIMITED

6.	Total (A)	471748	471748		
7.	Ceiling as per the Act	NA	471748		
<b>B. Remuneration to other directors:</b>					
Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
		S. Vijaya Saradhi	Atul Sharma	Richa Patnaik	NA
	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				
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**

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

**Place: Hyderabad  
Date: 10.08.2019**

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# NAGARJUNA AGRI-TECH LIMITED

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**NAGARJUNA AGRI 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, 2019, 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, 2019, 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 is 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 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.

Those 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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)(i) 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.

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## NAGARJUNA AGRI-TECH LIMITED

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- 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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## NAGARJUNA AGRI-TECH LIMITED

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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;
  - e) on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". 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.
  - 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:

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## NAGARJUNA AGRI-TECH LIMITED

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- 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: 29 May 2019

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

- i. In respect of the company's Fixed Assets
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets are physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties 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 regular intervals and no material discrepancies have been noticed.
- iii. The Company has not granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public covered under section 73 of Companies Act 2013.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, 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

## NAGARJUNA AGRI-TECH LIMITED

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, 2019 on account of dispute are given below

(Amount in Rs.)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Claim of tax by income tax department vide Order 154 Dt : 07.09.2011 in relation to disallowance of depreciation claimed for the AY 2009-10	u/s 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

- viii. The Company does not have loans and borrowings from financial institutions and banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and have not raised funds by way of term loans during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has not 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. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations 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.

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## NAGARJUNA AGRI-TECH LIMITED

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- 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: 29 May 2019

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

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

We have audited the internal financial controls over financial reporting of NAGARJUNA AGRI TECH LIMITED (“the Company”) as of 31<sup>st</sup> March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Hyderabad  
Date: 29 May 2019

# NAGARJUNA AGRI-TECH LIMITED

## BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,69,30,944	2,89,19,784
(b) Financial assets			
Investments	4	1,12,93,725	1,07,57,358
(c) Other non-current assets	5	58,00,000	58,00,000
		<b>4,40,24,669</b>	<b>4,54,77,142</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	6	22,00,693	41,18,017
(ii) Cash and cash equivalents	7	35,27,486	19,44,964
(iii) Other Financial Assets	8	33,25,907	19,63,044
(b) Inventories		1,80,000	2,52,000
(c) Other current assets	9	7,07,947	3,76,120
		<b>99,42,033</b>	<b>86,54,145</b>
<b>Total Assets</b>		<b>5,39,66,702</b>	<b>5,41,31,287</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	-4,23,43,061	-4,20,66,822
		<b>5,13,47,939</b>	<b>5,16,24,178</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises		-	-
(b) Total outstanding dues of Creditors other than micro enterprises and small enterprises	12	12,78,470	12,93,506
(ii) Other financial liabilities	13	7,93,395	6,85,501
(b) Other current liabilities	14	5,46,898	5,28,102
		<b>26,18,763</b>	<b>25,07,109</b>
<b>Total Equity and Liabilities</b>		<b>5,39,66,702</b>	<b>5,41,31,287</b>
Summary of Significant Accounting Policies	2	-	-

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

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

As per our report of even date

For and on behalf of the Board

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

# NAGARJUNA AGRI-TECH LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from Operations	15	3,05,28,559	3,01,87,033
II. Other Income	16	8,86,418	3,30,010
<b>III. Total Income (I + II)</b>		<b>3,14,14,977</b>	<b>3,05,17,043</b>
IV. Expenses			
Purchase of Stock in Trade		19,18,603	20,08,419
Changes in Inventory		72,000	(2,52,000)
Employee Benefit Expenses	17	18,25,435	19,18,125
Depreciation and amortisation expense		18,24,835	14,21,717
Other expenses	18	2,65,86,710	2,22,71,101
<b>Total expenses (IV)</b>		<b>3,22,27,583</b>	<b>2,73,67,362</b>
V. Profit/(Loss) before tax (III - IV)		<b>(8,12,606)</b>	<b>31,49,681</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>(8,12,606)</b>	<b>31,49,681</b>
VIII. Other Comprehensive income			
i. Items that will not be reclassified subsequently to profit or loss		5,36,367	-
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
		<b>5,36,367</b>	<b>-</b>
IX. Total Comprehensive Income for The Period (VII + VIII)		<b>(2,76,239)</b>	<b>31,49,681</b>
X. Earnings per equity share from Continuing operations:	19		
Basic and Diluted		<b>(0.09)</b>	<b>0.34</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

For and on behalf of the Board

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

Sd/-  
**K. SOMA RAJU**  
Director  
DIN : 00018539

Sd/-  
**N. VISWANADHA RAJU**  
Director  
DIN : 00119584

# NAGARJUNA AGRI-TECH LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	(Amount in Rs)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I. Cash flow from operating activities:</b>		
A. Profit/(Loss) before tax	(8,12,606)	31,49,681
B. Adjustment for non-cash transactions:		
a. Depreciation and amortization expenses	18,24,835	14,21,717
b. Interest Income Accrued	(1,80,000)	
b. Forex Fluctuations		
	<b>16,44,835</b>	<b>14,21,717</b>
C. Adjustment for changes in working capital:		
a. Decrease / (increase) in inventories	72,000	(2,52,000)
b. Decrease / (increase) in trade receivables	19,17,324	25,33,523
c. Decrease / (increase) in other bank balances	-	-
d. Decrease / (increase) in other financial assets (Excluding fair value income)	(13,62,863)	(8,14,488)
e. Decrease / (increase) in other current and non-current assets	(3,31,827)	(1,40,349)
f. (Decrease) /Increase in trade payables	(15,036)	7,85,173
g. (Decrease) /Increase in other financial term liabilities	1,41,497	(8,26,737)
h. (Decrease) /Increase in other current liabilities	(14,807)	5,28,102
i. (Decrease) /Increase in provisions	-	-
	<b>4,06,288</b>	<b>18,13,224</b>
E. Cash generated from operations (A+B+C+D)	<b>12,38,517</b>	<b>63,84,622</b>
Less: Direct taxes (paid) /net of refunds	-	-
<b>Net cash flow from operating activities (I)</b>	<b>12,38,517</b>	<b>63,84,622</b>
<b>II. Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	1,64,005	(51,12,066)
b. Share Application Money returned	-	-
c. Interest Accrued	1,80,000	-
	<b>3,44,005</b>	<b>(51,12,066)</b>
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>3,44,005</b>	<b>(51,12,066)</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>IV. Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>15,82,522</b>	<b>12,72,556</b>
Cash and cash equivalents at the beginning of the year	19,44,964	6,72,408
<b>V. Cash and cash equivalents at the end of the year</b>	<b>35,27,486</b>	<b>19,44,964</b>
<b>VI. Components of cash and cash equivalents:</b>		
With banks:		
On Current Account	35,27,486	19,44,964
<b>Total cash and cash equivalents</b>	<b>35,27,486</b>	<b>19,44,964</b>

As per our report of even date

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

B.Daivadheenam Reddy  
Partner  
Membership No.026450

For and on behalf of the Board

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

Sd/-  
**K. SOMA RAJU**  
Director  
DIN : 00018539

Sd/-  
**N. VISWANADHA RAJU**  
Director  
DIN : 00119584

**Statement of Changes in Equity**

a. Equity share capital	Note	Amount	
<b>As at 31st Mar 2018</b>		<b>9,36,91,000.00</b>	
Changes in equity share capital during the year	10(a)	-	
<b>As at 31st Mar 2019</b>		<b>9,36,91,000.00</b>	
<b>b. Other Equity</b>			
<b>Particulars</b>	<b>Retained earnings</b>	<b>Capital Reserve</b>	<b>Total Other Equity</b>
<b>Balance at 31st March, 2018</b>	-4,94,38,872.00	73,72,050.00	<b>-4,20,66,822.00</b>
<b>Changes in equity for the period ended 31st, March 2019</b>			
Unquoted Equity measurement of fair value	5,36,367.00	-	<b>5,36,367.00</b>
Profit for the Year	-8,12,606.00	-	<b>-8,12,606.00</b>
<b>Balance at 31st March, 2019</b>	<b>-4,97,15,111.00</b>	<b>73,72,050.00</b>	<b>-4,23,43,061.00</b>

### Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in Indian Rupees, unless otherwise stated)

#### 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 May, 2019.

#### 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, 2018 on the basis of prudence, as per the requirements of IND AS - 12 Income Taxes, issued by the Institute of Chartered Accountants of India.

**(ii) Taxes**

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

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

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

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

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

**(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, 2019 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 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.

**X. Recent accounting pronouncements**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1st April 2019.

**INDAS 116: Leases**

The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019.

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## NAGARJUNA AGRI-TECH LIMITED

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The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company will adopt Ind AS 116 "Leases" and apply it to all its identified lease contracts existing on 1st April, 2019 as a lessee using the modified retrospective method.

The Company estimates that the adoption of Ind AS 116 as on 1st April, 2019 will not impact its financials.

# NAGARJUNA AGRI-TECH LIMITED

**Note 3 - Schedule of Property, Plant Equipments for the year ended March 31, 2019**

Carrying Amount	Bearer Plants	Buildings	Computer Equipment	Electrical Installation & Equipment	Furniture	Land	Office Equipment	Plant & Machinery	Vehicles
Gross Carrying amount as on 31 March 2017	-	1,01,75,108	2,95,337	2,42,790	6,33,710	1,51,40,726	3,04,214	8,95,09,607	2,63,403
Additions	45,69,280	-	-	3,61,286	1,40,000	-	-	41,500	-
Disposals	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount as on 31 March 2018	45,69,280	1,01,75,108	2,95,337	6,04,076	7,73,710	1,51,40,726	3,04,214	8,95,51,107	2,63,403
Additions	6,02,030	-	-	36,532	-	-	-	1,28,775	-
Disposals	45,120	-	-	-	-	-	-	-	-
Impairment Loss/Other Adjustments	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
Accumulated Depreciation									
Accumulated Depreciation as on 31 March 2017	-	71,11,392	2,94,902	2,430	6,32,605	-	2,89,003	8,27,41,725	2,63,403
Depreciation for the year	5,18,765	2,86,510	-	42,038	9,984	-	-	5,64,420	-
Closing Accumulated Depreciation as on 31 March 2018	5,18,765	73,97,902	2,94,902	44,468	6,42,589	-	2,89,003	8,33,06,145	2,63,403
Depreciation for the year	9,52,170	2,86,510	-	59,478	13,300	-	-	5,13,376	-
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
Net Carrying Amount as on 31 March 2017	-	30,63,716	435	2,40,360	1,105	1,51,40,726	15,211	67,67,882	-
Net Carrying Amount as on 31 March 2018	40,50,515	27,77,206	435	5,59,608	1,31,121	1,51,40,726	15,211	62,44,962	-
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	-

## NAGARJUNA AGRI-TECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Investment in Other Companies Investment in equity instruments at fair value through Other Comprehensive Income (fully paid)" Investment in equity instruments (unquoted) a"14,500 (March 31, 2018: 14,500) equity shares of Manu Vyapar Private Limited"		
a 14,500 (March 31, 2018: 14,500) equity shares of Manu Vyapar Private Limited"	92,24,354	87,73,365
b 45,000 (March 31, 2018: 45,000) equity shares of Tramco Finance Private Limited	13,43,150	13,41,577
c 32,000 (March 31, 2018: 32,000) equity shares of Bharath Safety Glasses Private Limited	7,26,221	6,42,416
<b>TOTAL</b>	<b>1,12,93,725</b>	<b>1,07,57,358</b>

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

PARTICULARS	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Unsecured, Considered Good	22,00,693	41,18,017
<b>TOTAL</b>	<b>22,00,693</b>	<b>41,18,017</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

No interest is charged on Trade Receivables for delay in payment beyond credit period from the due date of the Invoice.

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.

## NAGARJUNA AGRI-TECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

PARTICULARS	As at March 31, 2019	As at March 31, 2018
a Cash in hand	2,15,467	8,83,688
b Balances in Bank a/c's	33,12,019	10,61,276
<b>TOTAL</b>	<b>35,27,486</b>	<b>19,44,964</b>

#### NOTE NO: 8 Other Financial Assets

PARTICULARS	As at March 31, 2019	As at March 31, 2018
a Due with Statutory Authorities	9,85,712	607778
b Deposits with Banks	0	1,85,061
c Other Receivables	15,00,000	3,30,010
d Security Deposits	8,40,195	8,40,195
<b>TOTAL</b>	<b>33,25,907</b>	<b>19,63,044</b>

#### NOTE NO: 9 Other Current Assets

PARTICULARS	As at March 31, 2019	As at March 31, 2018
a Salary Advance	0	23000
b Advances for Purchases and Expenses	2,92,176	117349
c Other Assets	4,15,771	2,35,771
<b>TOTAL</b>	<b>7,07,947</b>	<b>3,76,120</b>

#### NOTE NO: 10 Equity Share Capital:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
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	<b>10,00,00,000</b>	<b>10,00,00,000</b>
	<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, 2019	As at March 31, 2018
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	-	-
Share Capital Issued during the year	9,36,91,000	9,36,91,000
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
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Aggregate number of bonus shares (Equity) issued in the last five years immediately preceeding the Balance Sheet date	NIL	NIL
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Aggregate number of equity shares bought back in the last five years immediately preceeding the Balance Sheet date	NIL	NIL
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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
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## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 11 Other Equity

PARTICULARS	As at March 31, 2019	As at March 31, 2018
a Capital Reserves	73,72,050	73,72,050
b Retained Earnings		
At the beginning of the period	(4,94,38,872)	(5,25,88,553)
Profit for the period	(2,76,239)	31,49,681
At the end of the period	(4,97,15,111)	(4,94,38,872)
<b>Total</b>	<b>(4,23,43,061)</b>	<b>(4,20,66,822)</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	12,78,470	12,93,506.00
<b>Total</b>	<b>12,78,470</b>	<b>12,93,506</b>

### NOTE NO: 13 Other Financial Liabilities

PARTICULARS	As at March 31, 2019	As at March 31, 2018
a Non Trade Payables	7,22,338	6,67,032
b Due to Statutory Authorities	71,057	18,469
c Loan from Director	0	0
<b>TOTAL</b>	<b>7,93,395</b>	<b>6,85,501</b>

### NOTE NO: 14 Other Current Liabilities

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Advances received from Customers	5,46,898	5,28,102
	<b>5,46,898</b>	<b>5,28,102</b>

## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 15 Revenue from Operations:

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a Export Sales	1,82,76,572	1,96,24,114
b Domestic Sales	1,22,51,358	1,04,90,000
c Subsidy received from ICEGATE	629	72,919
<b>TOTAL</b>	<b>3,05,28,559</b>	<b>3,01,87,033</b>

### NOTE NO: 16 Other Income

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a Duty Drawback received from DGFT	5,22,012	3,30,010
b Interest Received	3,64,406	0
<b>TOTAL</b>	<b>8,86,418</b>	<b>3,30,010</b>

### NOTE NO: 17 Employee benefit Expenses

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a Salaries	16,49,000	18,47,545
b Staff Welfare Expenses	1,76,435	70,580
<b>TOTAL</b>	<b>18,25,435</b>	<b>19,18,125</b>

## NAGARJUNA AGRI-TECH LIMITED

### NOTE NO: 18 Other Expenses

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a Fertilizers & Pesticides Consumed	52,44,383	47,89,385
b Wages	62,48,757	40,86,329
c Power & Fuel	15,59,497	15,45,835
d Plant Maintenance	36,75,837	24,53,418
e Repairs & Maintenance	2,16,982	2,70,479
f Travelling & Conveyance	2,40,753	2,24,276
g Printing & Stationery	19,982	27,975
h Rent	2,05,240	2,89,500
i Forex Fluctuations	-42,798	1,25,249
j Rates & Taxes	70,000	35,000
k Auditors Remuneration		
i As Auditors	1,77,000	1,52,500
l Professional Charges	10,64,751	1,84,256
m Bank Charges & Commission	3,43,518	2,16,091
n Directors Remuneration	3,60,000	4,71,748
o Freight, Clearing & Forwarding Charges	44,75,831	47,98,399
p Packing Material Consumed	8,63,717	12,32,928
q Advertisement	24,940	43,194
r Loading & Unloading	3,24,000	
s Impairment Loss	7,56,192	
t Other Expenses		
i Listing Fee	3,46,081	3,98,967
ii Brokerage	5,000	7,18,000
iii Miscellaneous	4,07,047	2,07,572
<b>TOTAL</b>	<b>2,65,86,710</b>	<b>2,22,71,101</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 31-03-2019	Year ended 31-03-2018
(a) Profit/ (loss) for the period attributable to shareholders	(8,12,606)	31,49,681
(b) Weighted average number of equity shares (including share capital suspense) in calculating basic/diluted EPS	9,36,31,000	9,36,31,000
(c) Earnings per equity share (Basic and Diluted) - (a) / (b)	9,36,31,000	9,36,31,000

### 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, 2019	For the Year Ended March 31, 2018
(i) <b>Remuneration</b> Remuneration paid to Managing Director	3,60,000	4,71,748
(ii) <b>Reimbursement of Expenses</b> Reimbursement of Travelling Expenses to Managing Director	1,29,255	4,71,748

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

Particulars	As at March 31, 2019	As at March 31, 2018
<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	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, 2019	As at March 31, 2018
<b>Financial assets measured at FVTPL</b>	-	-
Investment in equity (Level-2)	1,12,93,725	1,07,57,358

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:

- 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.
- 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, 2019	As at March 31, 2018
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, 2019 ₹ Nil, March 31, 2018 ₹ 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

For and on behalf of the Board

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

Sd/-  
**K. SOMA RAJU**  
Director  
DIN : 00018539

Sd/-  
**N. VISWANADHA RAJU**  
Director  
DIN : 00119584

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**NAGARJUNA AGRI-TECH LIMITED**

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**Form No. MGT-11**

**PROXY FORM**

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

CIN : L01119AP1987PLC007981  
Name of the company : NagarjunaAgri-Tech Limited  
Registered office : 56 Nagarjuna Hills Panjagutta  
Hyderabad- 500082, Telangana, India.  
Venue of AGM : Registered Office of the Company

Name of the member(s) Registered Address E-mail Id Folio No. /Client Id DP ID* No. of Shares held
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\* Applicable for investors holding Shares in electronic form

I/We, being the member (s) of \_\_\_\_\_ Shares of the above named company, hereby appoint:

1. Name: .....  
Address:.....  
E-mail Id: .....  
Signature: ....., or failing him

2. Name: .....  
Address:.....  
E-mail Id: .....  
Signature: ....., or failing him

3. Name: .....  
Address:.....  
E-mail Id: .....  
Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Saturday, the 28<sup>th</sup> day of September, 2019 at 11.30 A.M. at the Registered Office of the Company at NagarjunaAgri-Tech Limited 56 Nagarjuna Hills Panjagutta Hyderabad- 500082, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

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## NAGARJUNA AGRI-TECH LIMITED

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1. To adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors for FY 2018-19.
2. To appoint a Director in place of Mrs.N. Rama Devi (DIN: 06970266) who retires by rotation and being eligible, offers himself, for re-appointment.
3. Re-appointment of Mr. K. Soma Raju as independent director of the company:
4. Re-appointment of Mr. K. Ravindraas independent director of the company:
5. Adoption of New Set of Memorandum of Association as per the Provisions of The Companies Act, 2013
6. Adoption of new set of articles of association as per the provisions of the companies act, 2013:

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of the Member \_\_\_\_\_

Signature of the Proxy holder(s) \_\_\_\_\_

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

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## NAGARJUNA AGRI-TECH LIMITED

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### NagarjunaAgri-Tech Limited

CIN: L01119AP1987PLC007981

56 Nagarjuna Hills Panjagutta Hyderabad- 500082, Telangana, India

Tel: 91-40-23357248 E-mail: natl@rediffmail.com

Website: www.nagarjunaagritechlimited.com

### ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 31st Annual General Meeting of the members of the company to be held on Saturday, the 28th day of September, 2019 at 11.30 A.M. at the Registered Office of the Company at NagarjunaAgri-Tech Limited 56 Nagarjuna Hills Panjagutta Hyderabad- 500082 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_

(In block letters)

Folio No./Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.



*If undelivered please return to :*

**Nagarjuna Agri-Tech Limited**

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