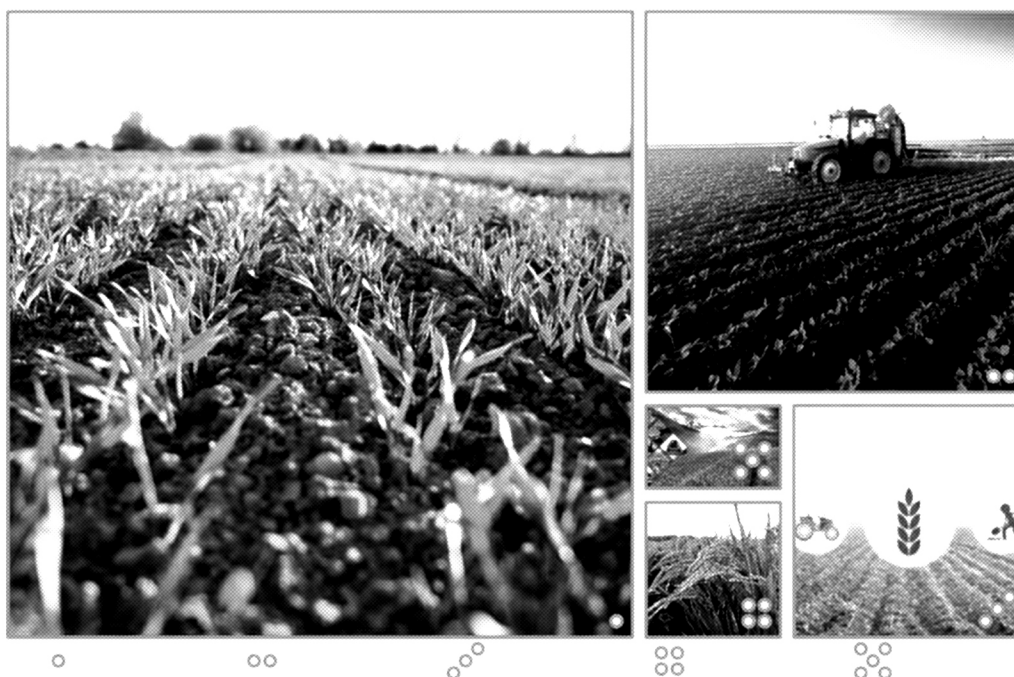




# 13<sup>TH</sup> ANNUAL REPORT

## 2019-20



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***NOVA AGRITECH LIMITED***

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## **Corporate Information**

**Corporate Identity Number:** U01119TG2007PLC053901

### **Board of Directors:**

Kiran Kumar Atukuri	Managing Director
Sreekanth Yenigalla	Director
Nadella Basanth Kumar	Director
Sri Hari Rao (From 20.03.2020)	Additional director
Srinivasava Rao Vesangi	Independent Director
Swapna Kandula (From 19.03.2020)	Independent Director
Sonali Chowdhary (Till 01.08.2019)	Independent Director
Ramesh Babu Nemani (Till 19.03.2020)	Independent Director
Ashok Kumar J (From 18.08.2018 to 30.11.2019)	CFO
Bhargavi Kandula (From 02.05.2020)	CFO
Padmasri Samaleti (From 21.02.2018 to 30.06.2019)	Company Secretary
Shubham Bagadia (From 01.07.2019 to 19.10.2020)	Company Secretary
Neha Soni (From 22.10.2020)	Company Secretary

### **Registered Office:**

#### **Till 10.03.2020**

Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally,  
Secunderabad, Telangana - 500011

#### **From 10.03.2020**

Sy.No.251/A/1.,  
Singannaguda Village Mulugu Mandal  
Siddipet Medak TG 502279 IN

**E-Mail:** nova.agritech@gmail.com

### **Statutory Auditors:**

M/s. NSVR and Associates LLP,  
Chartered Accountants,  
FRN: 008801S/S200060  
Address: Plot No. 28, Flat No. 202,  
Nestcon Gayatri, Road No. 10,  
Banjara Hills, Hyderabad-500034, Telangana.



## **Corporate Information**

### **Audit Committee**

<b>S. No</b>	<b>Name of the Member</b>	<b>Position</b>
1	Mr. Srinivasa Rao Vesangi	Chairman
2	Ms. Swapna Kandula	Member
3	Mr. Sri Hari Rao	Member

### **Nomination and Remuneration Committee**

<b>S. No</b>	<b>Name of the Member</b>	<b>Position</b>
1	Mr. Srinivasa Rao Vesangi	Chairman
2	Ms. Swapna Kandula	Member
3	Mr. Sri Hari Rao	Member

### **Corporate Social Responsibility Committee**

<b>S. No</b>	<b>Name of the Member</b>	<b>Position</b>
1	Mr. Ramesh Babu Nemani	Chairman
2	Mr. Kiran Kumar Atukuri	Member
2	Mr. Srinivasa Rao Vesangi	Member

## NOTICE

NOTICE is hereby given that the **13<sup>th</sup> Annual General Meeting** of the members of '**NOVA AGRITECH LIMITED**' will be held on Thursday, the **31<sup>st</sup> day of December 2020 at 04.00 P.M.** at its registered office situated at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet Medak TG 502279 IN, for transacting the following business:

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### **Ordinary Business:**

- 1. Adoption of Audited Financial Statements (Standalone and Consolidated) for the FY 2019-20 of the Company for the financial year ended March 31, 2020 and the reports of the Auditors and Board of Director Report and the report of Auditors thereon and in this regard.**

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

**"RESOLVED THAT** the audited Standalone financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Auditors and Board of Directors thereon laid before this meeting, be and are hereby considered and adopted."

**"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

- 2. To Appoint a director in place of Mr. Basanth Kumar Nadella (holding DIN: 08139510) who retires by rotation, and being eligible offers himself for re-appointment:**

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

**"RESOLVED THAT Mr. Basanth Kumar Nadella (holding DIN: 08139510),** who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company, liable to be retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do or cause to be done all such acts, deeds and things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution."

### **SPECIAL BUSINESS:**

- 3. Ratification of Remuneration of Cost Auditors:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 Companies Act, 2013 and Rules prescribed there under and pursuant to the Companies (Cost Records and Audit) Rules, 2014, as may be amended from time to time, Mr. N.V.S. Kapardhi, Cost

Accountant (Membership No. 9488) be and is hereby appointed as the Cost Auditor of the company to conduct the audit of the cost records maintained by the company for financial year commencing on April 01, 2020 and ending on March 31, 2021.”

**“RESOLVED FURTHER THAT** subject to ratification of the shareholders of the Company the remuneration of Mr. N.V.S. Kapardhi, Cost Accountant, for conducting audit as stated above be fixed as Rs.30,000/- (Thirty Thousand Rupees Only) exclusive of GST as may be applicable and out of pocket expenses if any.”

**“FURTHER RESOLVED THAT** Kiran Kumar Atukuri and Sreekanth Yenigalla Directors of the Company be and is hereby jointly and severally authorized to do all such acts, deeds and to sign and execute the necessary forms, papers, returns, letters and documents as may be required and necessary to bring into effect the above resolutions, including filing of necessary e-form(s) with the Registrar of Companies/Ministry of Corporate Affairs.”

**“FURTHER RESOLVED THAT** Mr. M. Ramana Reddy, Practicing Company Secretary P.S. Rao & Associates, Hyderabad be and is hereby authorized to pre-certify, to affix the Digital Signature in the required forms, if any and to submit all the necessary forms with the Registrar of Companies, Ministry of Corporate Affairs.”

**4. To Regularize the Appointment of Ms. Swapna Kandula, (DIN: 08719208) as an Independent Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies 2013, (“the Act”) and Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee of the Company, the consent of the members of the Company be and is hereby accorded to regularize the appointment of Ms. Swapna Kandula (DIN: 08719208) as director of the company, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director of the Company”

**"RESOLVED FURTHER THAT** pursuant to the provisions of section 149 and 150, of the Companies Act, 2013 (“the Act”) read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendations of the Nomination and Remuneration Committee of the Company, the approval of the members of the Company be and is hereby for the appointment of Ms. Swapna Kandula (DIN: 08719208) as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years w.e.f. March 19, 2020 to March 18, 2025.”

**“RESOLVED FURTHER THAT** Mr. Kiran Kumar Atukuri, Managing Director of the Company or Mr. Sreekanth Yenigalla, Director of the Company be and are hereby authorized to do all such acts, deeds and things and things as may be necessary or desirable in connection with or incidental for giving effect to the above resolution

including but not limited filing of requisite E-forms with Ministry of Corporate Affairs in this regard.”

**“RESOLVED FURTHER THAT** Mr. M Ramana Reddy, Practicing Company Secretary, P.S. Rao & Associates, Hyderabad be and is hereby authorized to pre-certify, to affix the Digital Signature in the required e-Forms and to submit the all the necessary forms with the Registrar of Companies/Ministry of Corporate Affairs”

**5. To Regularize the Appointment of Mr. Sri Hari Rao, (DIN: 08729255) as a Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read along with the Rule 8,9 and 14 of the Companies (Appointment and Qualification) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (the “Act”) and rules made there under (as may be amended from time to time, including any statutory modification(s) or enactment thereof for the time being in force), Mr. Sri Hari Rao (DIN: 08729255) was appointed as Additional Director in the Board Meeting of the Company held on March 20, 2020 pursuant to the provisions of 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the members of the company be and is hereby granted for the appointment of Mr. Sri Hari Rao (DIN: 08729255) as Director of the Company.

**“RESOLVED FURTHER THAT** Mr. Kiran Kumar Atukuri, Managing Director of the Company or Mr. Sreekanth Yenigalla, Director of the Company be and are hereby authorized to do all such acts, deeds and things and things as may be necessary or desirable in connection with or incidental for giving effect to the above resolution including but not limited filing of requisite E-forms with Ministry of Corporate Affairs in this regard.”

**“RESOLVED FURTHER THAT** Mr. M Ramana Reddy, Practicing Company Secretary, P.S. Rao & Associates, Hyderabad be and is hereby authorized to pre-certify, to affix the Digital Signature in the required e-Forms and to submit the all the necessary forms with the Registrar of Companies/Ministry of Corporate Affairs”

**Place: Singannaguda**  
**Date: 25-10-2020**

By Order of the Board  
For, **Nova Agritech Limited**



**Kiran Kumar Atukuri**  
**Managing Director**  
**DIN: 08143781**

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 13<sup>th</sup> ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS / HER BEHALF ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY BEFORE THE COMMENCEMENT OF THE AGM.**

In terms of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.

2. As required under SS-2 issued by the ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to the Annual Report.
3. Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her queries to the Company at least seven working days prior to the AGM, so that the required information can be made available at the AGM.
4. Pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, members are informed that they may nominate at any time, in the prescribed manner, a person to whom their shares in the Company shall vest in the unfortunate event of their death. Members holding shares in physical mode should file their nomination with the Company.
5. Members holding shares in physical mode are requested to notify immediately any change in their address along with self-attested copy of address proof i.e., Aadhar Card / electricity bill / telephone bill / driving license/passport / bank passbook particulars to the Company.
6. In all correspondence with the Company, Members holding shares are requested to quote their account / folio numbers.
7. The Ministry of Corporate Affairs (MCA), Government of India has introduced a 'Green initiative in Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder.
8. In case you have not registered your e-mail Id, please communicate the same to the Company at their communication address given in the Annual Report. Although you are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which will help us participate in the Green Initiatives of the MCA and to protect our environment.
9. All documents referred to in the Notice shall be open for inspection by the Members of the Company without payment of fees at the Registered Office of the Company. Inspection by the Members can be done on any working day between 11:00 a.m. to 1:00 p.m. including the date of AGM of the Company and shall also be available at the venue of the AGM.

### **EXPLANATORY STATEMENT:**

*(Pursuant to Section 102 of the Companies Act, 2013)*

#### **ITEM NO. 3:**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

The Board of Directors of the Company at its meeting held on September 5, 2020, considered and approved the appointment of Mr. N.V.S. Kapardhi, Cost Accountant as the cost auditor for the financial year 2020-21 at a remuneration of Rs. 30,000/- per annum plus applicable taxes and reimbursement of out of pocket expenses.

The Board recommends the as set out under S.No.3 for approval of the Members as an **Ordinary Resolution**.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

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

Ms. Swapna Kandula (DIN: 08719208) is a Master of Science in chemical engineering from Lamar University, Texas, U.S.A. She is having 11+ years of experience in Chemical Manufacturing facilities in USA and India as a Chemical Process Engineer /Plant Engineer/ Project Engineer. She has worked as Business Development Consultant in India for a leading American Agri Chemical Company. She has global exposure of working in various continents.

The Board of Directors of the Company appointed Ms. Swapna Kandula (DIN: 08719208) as an Additional Director in the category of Non-Executive Independent Director pursuant to section 161 of the Companies Act, 2013 in the meeting held on March 19, 2020 and to hold office up to the date of this Annual General Meeting.

The Board, based on the recommendation of the Nomination and Remuneration Committee, considers her background and experience would be beneficial for the company and is desirable to avail her services as an Independent Director of the company, who is not liable to retire by rotation for a first term of 5 (five) years of the Board of the Company.

The Company has received consent in writing to act as Independent Director pursuant to Rule 8 of the Companies (Appointment and qualifications of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of the Companies Act, 2013.

The Company has also received declaration from Ms. Swapna Kandula (DIN: 08719208) that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

She is registered as a Member with Independent Director's Data Bank with Registration Mo. IDDB-NR-202003-021109 maintained by Indian Institute of Corporate Affairs, an institute notified by Central Government.

Copy of draft letter of appointment setting out terms and conditions of appointment is available for inspection by the members of the company at the registered office of the company.



Ms. Swapna Kandula (DIN: 08719208) may be deemed to be interested in the respective resolutions set out at Item No. 4 being appointee.

The Board considers that his association would be immense benefit to the Company and it is desirable to avail his services as Director. Accordingly, the Board recommends the resolution No. 4 for the approval of the Members as an **Ordinary Resolution**.

Save and except the above, none of the Directors and Key Managerial Personnel and/or their relatives are financially or otherwise concerned or interested in this resolution.

Ms. Swapna Kandula do not hold any share in the company.

#### **ITEM NO. 5:**

The Board of Directors of the Company appointed Mr. Sri Hari Rao (DIN: 08729255) as an Additional Director pursuant to section 161 of the Companies Act, 2013 in the meeting held on March 20, 2020 and to hold office up to the date of this Annual General Meeting.

The Board, based on the recommendation of the Nomination and Remuneration Committee, considers her background and experience would be beneficial for the company and is desirable to avail his services as a Non-Executive Director of the company, on the Board of the Company.

The Company has received consent in writing to act as Director pursuant to Rule 8 of the Companies (Appointment and qualifications of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of the Companies Act, 2013.

Copy of draft letter of appointment setting out terms and conditions of appointment is available for inspection by the members of the company at the registered office of the company.

Mr. Sri Hari Rao (DIN: 08729255) may be deemed to be interested in the respective resolutions set out at Item No. 5 being appointee.

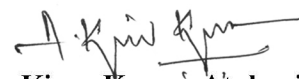
The Board considers that his association would be immense benefit to the Company and it is desirable to avail his services as Director. Accordingly, the Board recommends the resolution No. 5 for the approval of the Members as an **Ordinary Resolution**.

Save and except the above, none of the Directors and Key Managerial Personnel and/or their relatives are financially or otherwise concerned or interested in this resolution.

Mr. Sri Hari Rao do not hold any share in the company.

**Place: Singannaguda**  
**Date: 25-10-2020**

By Order of the Board  
For, Nova Agritech Limited

  
**Kiran Kumar Atukuri**  
**Managing Director**  
**DIN: 08143781**

**Details of Directors seeking appointment/ re-appointment at the forthcoming  
Annual General Meeting**

[Pursuant to Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

A	Name	Mr. Basanth Kumar Nadella	Ms. Swapna Kandula	Mr. Sri Hari Rao
B	Brief Resume			
	i) Age	About 33 years	About 43 years	About 47 years
	ii) Qualification	M.S.C. in Bio Technology	M.S.C. in Chemical Engineering	B.S.C. in Agriculture
	iii) Experience in specific functional area	Technical Activities and Research & Development	Chemical Manufacturing Facilities	Agriculture related activities
	iv) Date of appointment on the Board of the Company	26/05/2018	19/03/2020	20/03/2020
C	Nature of expertise in specific functional Areas	Technical Activities and Research & Development	Chemical Manufacturing Facilities	Agriculture related activities
D	Names of other companies in which he is acting as Director	AIC- Nova Foundation For Agriculture Innovation And Research	Nil	Nil
E	Name(s) of companies in which committee Membership(s) held	NIL	Nil	Nil
F	No. of shares of Rs. 10/- each held by the Director	NIL	Nil	Nil
G	Relationship with other director	Not related to any	Not related to any	Not related to any

**By Order of the Board  
For, NOVA AGRITECH LIMITED**



**Kiran Kumar Atukuri  
Managing Director  
DIN: 08143781**

**Place: Singannaguda  
Date: 25-10-2020**



**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)

Name of the member(s) :	
Registered Address :	
E-mail Id :	
Folio No./ Client ID :	DP ID:

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

- 1) Name \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature \_\_\_\_\_ or failing him/her;
- 2) Name \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature \_\_\_\_\_ or failing him/her;
- 3) Name \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature \_\_\_\_\_

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 13<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 31<sup>st</sup> December, 2020, at 04.00 P.M. at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet Medak TG 502279 IN and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Ordinary Business:
1	Adoption of Audited Financial Statements of the Company for FY 2019-20
2	To Appoint a director in place of Mr. Basanth Kumar Nadella (holding DIN: 08139510) who retires by rotation, and being eligible offers himself for re-appointment
	<b>Special Business:</b>
3	Ratification of appointment and remuneration of cost auditor for F.Y. 2020-21
4	To Regularize the Appointment of Ms. Swapna Kandula, (DIN: 08719208) as an Independent Director of the Company:
5	To Regularize the Appointment of Mr. Sri Hari Rao, (DIN: 08729255) as a Director of the Company

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of December, 2020

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

**ATTENDANCE SLIP**

<b>DP.ID*</b>	
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<b>Master Folio No.</b>	
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<b>Client ID*</b>	
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<b>No. of Shares held</b>	
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I hereby record my presence at the **13<sup>th</sup> Annual General Meeting** of the Company on Thursday, 31<sup>st</sup> December, 2020, at 04.00 P.M. at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet Medak TG 502279, India.

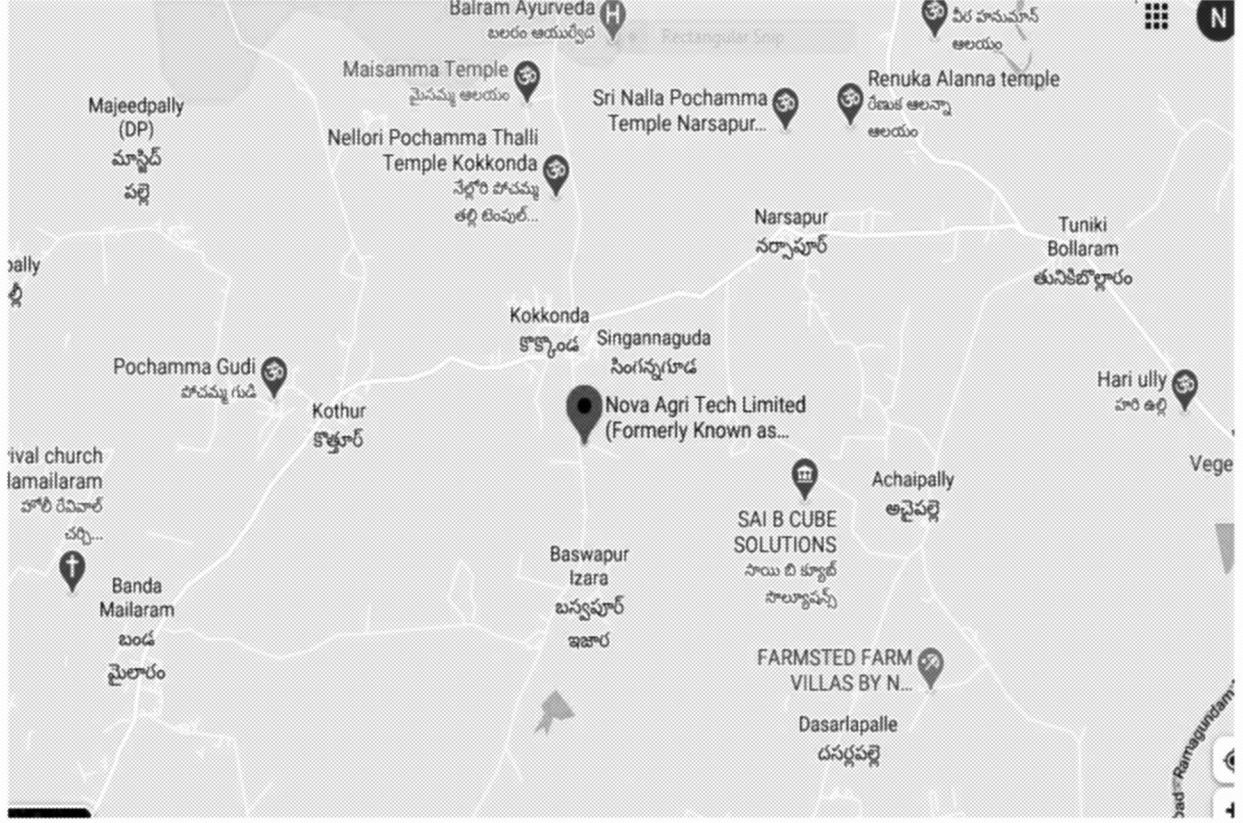
<b>MEMBER'S/PROXY'S NAME IN BLOCK LETTER</b>	
<b>MEMBER'S/PROXY'S/AUTHORIZED REPRESENTATIVE'S SIGNATURE</b>	

**NOTES:**

1. Please complete the DP ID- Client ID No. and name of the Member/Proxy, sign this attendance slip and hand it over, duly signed, at the entrance of the meeting hall.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the notice of Annual General Meeting for reference at the meeting.

\* Applicable for shareholders holding shares in electronic form.

## ROUTE MAP FOR 13<sup>th</sup> ANNUAL GENERAL MEETING



## **DIRECTORS' REPORT**

We, the Directors have pleasure in presenting the **13<sup>th</sup> ANNUAL REPORT** on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2020.

### **FINANCIAL PERFORMANCE:**

(Values in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
	Standalone	Standalone	Consolidated	Consolidated
Income from Operations	1,03,36,02,955	1,10,78,20,445	1,38,31,44,252	1,30,77,55,986
Other income	1,32,469	73,658	1,37,236	2,36,873
<b>Total income</b>	<b>1,03,37,35,424</b>	<b>1,10,78,94,103</b>	<b>1,38,32,81,488</b>	<b>1,30,79,92,859</b>
Total Expenditure	1,00,09,22,237	1,04,14,16,936	1,32,26,31,752	1,23,36,51,658
<b>Profit Before Tax</b>	<b>3,28,13,187</b>	<b>6,64,77,167</b>	<b>6,06,49,736</b>	<b>7,43,41,201</b>
Less: Tax expenses	1,32,71,655	2,26,67,480	2,19,36,805	2,54,73,912
<b>Net Profit/Loss</b>	<b>1,95,41,532</b>	<b>4,38,09,687</b>	<b>3,87,12,931</b>	<b>4,88,67,289</b>

### **SUMMARY OF OPERATIONS & STATE OF COMPANY'S AFFAIRS:**

For the Financial year 2019-20, the Company has recorded a turnover of Rs.1,03,36,02,955/- as against Rs. 1,10,78,20,445/- in 2018-19. The Net Profit of Company for the Financial Year 2019-20 stood at Rs.1,95,41,532/- as against Rs.4,38,09,687/- for the Financial Year 2018-19.

During the year under review, there is no change in nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

### **SUBSIDIARY(IES)**

### **SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company has its two Subsidiary Companies i.e., Nova Agri Sciences Private Limited and Nova Agri Seeds (India) Private Limited. The Company does not have any Joint Ventures and Associate Company. During the year under review no Company has become/ceased to be its Subsidiary, Joint Venture or Associate of Company.

## **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business during the financial year under review.

## **ABOUT COVID-19 PANDEMIC:**

As the recent development of Covid-19 Pandemic started in the end of financial year 2019-20 lead to global crisis and forcing all the governments to enforce lockdowns on all economic activity and accordingly work from home was enable strictly in our company to ensure the health and well-being of all the employees, and on minimizing – disruption to services to all our customers/ clients domestically and globally.

## **SHARE CAPITAL:**

The paid-up Equity Share Capital as at March 31, 2020 stood at Rs. 12,54,05,480.

## **DIVIDEND:**

During the year under review, though profits were generated, the Board of Directors of the company did not recommend any dividend.

## **TRANSFERS TO RESERVES:**

During the year under review, the company has not transferred any amount to reserves.

## **DEPOSITS:**

During the year under review, the Company has neither accepted nor renewed any deposits which are covered under the Chapter-V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from its members and public during the Financial Year.

## **MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **Directors:**

During the year under review:

1. Ms. Sonali Chowdhary has resigned as an Independent Director on August 1, 2019 and the Board has accepted the same.
2. Mr. Ramesh Babu has been resigned from the office of Independent Director of the Company w.e.f. March 19, 2020 and the Board has accepted the same.
3. Ms. Swapna Kandula has been appointed as an Independent Director of the Company w.e.f. March 19, 2020.
4. Mr. Sri Hari Rao has been appointed as an Additional Director w.e.f. March 20, 2020.

### **Key Managerial Personnel:**

1. Mr. Ashok Kumar J. has resigned from the office of Chief Financial Officer of the Company w.e.f. November 30, 2019 and the Board has accepted the same.
2. Ms. Bhargavi Kandula has been appointed as the Chief financial Officer (CFO) of the Company w.e.f. May 02, 2020.
3. Mrs. Padmasri Samaleti has been resigned as a Company Secretary of the Company on July 1, 2019.

4. Mr. Shubham Bagadia has been appointed as a Company Secretary of the Company w.e.f. July 1, 2019 and resigned w.e.f. October 19, 2020.
5. Ms. Neha Soni has been appointed as a Company Secretary of the Company w.e.f. October 22, 2020.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory Auditors and the reviews performed by Management and the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures;
- ii. accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- iii. proper and sufficient care have been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing & detecting fraud and/or other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. internal financial controls have been laid down by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **COMMITTEES OF THE BOARD:**

As on March 31, 2020, the Board has four committees, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Corporate Social Responsibility Committee which are constituted as per the provisions of the Companies Act, 2013, the details of the above-mentioned committees are as follows.

##### **Audit Committee**

<b>S. No</b>	<b>Name of the Member</b>	<b>Position</b>
1	Mr. Srinivasa Rao Vesangi	Chairman
2	Ms. Swapna Kandula	Member
3	Mr. Sri Hari Rao	Member

\*Mr. Ramesh Babu Nemani ceased as chairman w.e.f. 19.03.2020

\*Mr. Kiran Kumar Atukuri ceased as Member w.e.f. 20.03.2020



\*Mr. Srinivasa Rao Vesangi was appointed as Chairman of the Audit Committee w.e.f. 20.03.2020

\*Ms. Swapna Kandula appointed as member w.e.f. 20.03.2020.

\*Mr. Sri Hari Rao was appointed as member w.e.f. 20.03.2020

*The Audit Committee met twice in F.Y. 2019-20 on April 17, 2019 and September 28, 2019.*

#### **Nomination and Remuneration Committee**

<b>S. No</b>	<b>Name of the Member</b>	<b>Position</b>
1	Mr. Srinivasa Rao Vesangi	Chairman
2	Ms. Swapna Kandula	Member
3	Mr. Sri Hari Rao	Member

\*Mrs. Sonali Chowdhary ceased as Member w.e.f. 01.08.2019

\*Mr. Ramesh Babu Nemani ceased as Member w.e.f. 19.03.2020

\*Ms. Swapna Kandula appointed as member w.e.f. 20.03.2020.

\*Mr. Sri Hari Rao was appointed as member w.e.f. 20.03.2020

*The Nomination and Remuneration Committee met twice in F.Y. 2019-20 on July 01, 2019 and March 19, 2020.*

#### **Corporate Social Responsibility Committee**

<b>S. No</b>	<b>Name of the Member</b>	<b>Position</b>
1	Mr. Srinivasa Rao Vesangi	Chairman
2	Ms. Swapna Kandula	Member
2	Mr. Sri Hari Rao	Member

\*Mr. Ramesh Babu Nemani ceased as chairman w.e.f. 19.03.2020

\*Mr. Kiran Kumar Atukuri ceased as Member w.e.f. 20.03.2020

\*Mr. Srinivasa Rao Vesangi was appointed as Chairman of the Audit Committee w.e.f. 20.03.2020

\*Ms. Swapna Kandula appointed as member w.e.f. 20.03.2020.

\*Mr. Sri Hari Rao was appointed as member w.e.f. 20.03.2020

#### **NO. OF BOARD MEETINGS HELD DURING THE YEAR:**

The Board of Directors duly met Fourteen times on April 17, 2019, June 17, 2019, July 01, 2019, August 01, 2019, September 28, 2019, December 20, 2019, December 23, 2019, February 06, 2020, February 07, 2020, February 08, 2020, February 20, 2020, March 16, 2020, March 19, 2020 and March 20, 2020.

#### **DECLARATION BY THE INDEPENDENT DIRECTORS:**

During the year under review, The Company received necessary declarations from each Independent Director under 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down under section 149(6) of the Companies Act, 2013, so as to qualify themselves to be appointed as independent directors under the provisions of the Companies Act, 2013 and the relevant rules

## **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186:**

The loans granted, guarantees given and investments made are in compliance with Section 186 of the Companies Act, 2013.

## **STATUTORY AUDITORS:**

The Auditors Report for the financial year ended March 31, 2020 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. NSVR & ASSOCIATES LLP., Chartered Accountants (FRN.: 008801S/S200060), has been appointed for the period of 5 (Five) Financial years as statutory Auditors of the Company from the Conclusion of 11<sup>th</sup> Annual general Meeting till the Conclusion of 16<sup>th</sup> Annual General Meeting on a remuneration plus a reimbursement for out-of-pocket expenses as may be agreed upon by the Board of Directors and the Auditors.

## **REPLIES TO THE STATUTORY AUDITOR'S REMARKS:**

There are undisputed amounts payable in respect of Income Tax amounting to Rs. 3,28,81,670/- in arrears as on March 31, 2020 for a period of six months from the date they became payable. – *The Company is putting efforts to clear all the pending statutory dues at the earliest.*

## **COST AUDITORS:**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the board, appointed Mr. N. V. S. Kapardi, Cost Accountant, Firm Registration No. 100231 to audit the cost accounts of the Company for the financial year 2020-2021 on a remuneration of Rs. 30,000/-.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

## **MATERIAL CHANGES AND COMMITMENTS 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/ after the balance sheet date till the date of this directors' report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

During the Financial year under review, no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and company operations in future.



### **RISK MANAGEMENT FRAMEWORK:**

The Company has a robust internal business management framework to identify, evaluate business risks and opportunities which seeks to minimize adverse impact on the business objectives and enhance the Company's business prospects.

The Company has an Internal Control System, commensurate with the size and scale of its operations.

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT 9 as required under Section 92 of the Companies Act, 2013, is annexed herewith as '**Annexure III**' to this report.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year under review, there were Related Parties which fall under the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are given in **Form AOC-2** and forms as part of this Directors' Report as **Annexure II**.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

#### **Conservation of energy** :

The operations of the Company are not energy-intensive. However, The Company is making continuous efforts on ongoing basis to conserve the energy by adopting innovative measures to reduce wastage and optimize consumption.

(i)	The steps taken or impact on conservation of energy	The operations of the company are not energy intensive, adequate measures have, however, been taken, to conserve and reduce wastage and optimize consumption.
(ii)	The steps taken by the company for utilizing alternate sources of energy	
(iii)	The Capital investment on energy conservation equipment's	<b>Nil</b>

### **Technology Absorption**

:

We firmly believe that technology is the genesis of innovative business practices, which in turn enable the organization to carry out business effectively and efficiently. We intend to make investments in innovative techniques for this regard.

### **Foreign Exchange Earnings & Outgo:**

Foreign Exchange earnings	:	Nil
Foreign Exchange outgo	:	Nil

However, the company incurred loss of Rs. 4,57,966/- in Foreign Currency.

### **VIGIL MECHANISM:**

During the financial year under review the company had not meet the criteria relating to establishment of vigil mechanism.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Financial Control Systems. The Internal Financial Control systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to Section 135 and Schedule VII of the Companies Act, 2013, We, Nova Agritech Limited fall under the class of companies as provided in the Act. Hence, as a part of the corporate social responsibility initiative, the company is required to spent an amount of Rs. 12,95,812/- towards the CSR activities for the F.Y. 2019-20. The Company created a provision for the said amount. A detailed report on CSR Activities as required under Rule 9 of the Companies (CSR) Rules, 2014 is enclosed herewith as Annexure-IV.

The Board has constituted Corporate Social Responsibility (CSR) Committee under the provisions of Section 135 of the Companies Act, 2013 and respective rules made thereunder. The Committee has formulated a Corporate Social Responsibility CSR Policy. The Committee looks after the functions as enumerated under the Act and the CSR Policy adopted by the Board. The brief outline of the Company's CSR Policy is given in detailed report on CSR, enclosed herewith as Annexure-IV.

### **FRAUDS REPORTED BY THE AUDITORS**

There are no frauds reported by auditors under sub-section (12) of section 143.

### **HUMAN RESOURCES DEVELOPMENT**

The human resources systems procedures and the organizational environment are all designed to nurture creativity, innovation and greater efficiencies in its human capital. Training is an

integral element of the HR system and empowers employees to work towards shared goals and the common purpose of providing superior services.

### **SIGNIFICANT AND MATERIAL ORDERS:**

There were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status and the Company's operations in future.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

### **APPRECIATION:**

The Directors express their appreciation to all employees of the various divisions for their diligence and contribution to performance. The Directors also record their appreciation for the support and co-operation received from bankers and all other stakeholders. Last but not the least, the Directors wish to thank all shareholders for their continued support.

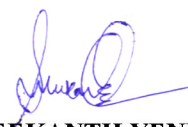
**Place: Singannaguda**

**Date: 25-10-2020**

By the Order of the Board  
**For Nova Agritech Limited**



**KIRAN KUMAR ATUKURI**  
**MANAGING DIRECTOR**  
**DIN: 08143781**



**SREEKANTH YENIGALLA**  
**DIRECTOR**  
**DIN: 07228577**

**Nova Agritech Limited**  
**ANNEXURE I**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with  
Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	S. No.	1	2
2	Name of the subsidiary	NOVA AGRI SCIENCES PRIVATE LIMITED	NOVA AGRI SEEDS INDIA PRIVATE LIMITED
3	The year since when subsidiary was acquired	2017	2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as Holding Company	Same as Holding Company
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
6	Share capital	1,80,00,000	5,00,000
7	Reserves and surplus	1,95,84,889	-12,90,929
8	Total assets	37,54,13,628	4,55,992
9	Total Liabilities	33,78,28,739	12,46,921
10	Investments	-	-
11	Turnover	40,66,01,313	14,09,400
12	Profit before taxation	2,78,41,786	(5236)
13	Provision for taxation	-	-
14	Profit after taxation	1,91,76,636	(5236)
15	Proposed Dividend	-	-
16	Extent of shareholding (in percentage)	100	100


**Notes:** The following information shall be furnished at the end of the statement:


- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

By the Order of the Board  
**For Nova Agritech Limited**

**Place: Singannaguda**

**Date: 25-10-2020**

  
**KIRAN KUMAR ATUKURI**  
Managing Director  
DIN: 08143781

  
**SREEKANTH YENIGALLA**  
Director  
DIN: 07228577

**NOVA AGRITECH LIMITED**  
**Annexure-II**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain Arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:  
The Company has not entered into any contract or arrangement or transaction with its related parties which is not in Arm's Length during the FY 2019-20.

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.


<b>S.No</b>	<b>Name (s) of the related party</b>	<b>Nature of relationship</b>	<b>Duration of the contracts/ arrangements/transaction</b>	<b>Salient terms</b>	<b>2019-20 Amount in Rs.</b>
1	Y. Malathi	Enterprise over which director or relative of Director have significant influence	Not applicable	Not applicable	18000000

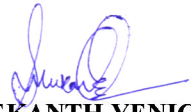
2	Kiran Kumar Atukuri	Managing Director	Not applicable	Not applicable	34,63,029
3	Basanth Kumar Nadella	Director	Not applicable	Not applicable	29,29,225
4	Sreekanth Yenigalla	Director	Not applicable	Not applicable	34,40,830

By the Order of the Board  
For Nova Agritech Limited

Place: Singannaguda

Date: 25-10-2020

  
**KIRAN KUMAR ATUKURI**  
Managing Director  
DIN: 08143781

  
**SREEKANTH YENIGALLA**  
Director  
DIN: 07228577

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**For the financial year ended March 31, 2020**

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

**I. Registration and Other Details:**

i.	CIN	U01119TG2007PLC053901
ii.	Registration Date	9 <sup>th</sup> May 2007
iii.	Name of the Company	NOVA AGRITECH LIMITED
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	Plot No. 57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad, Hyderabad – 500011, Telangana, India
vi.	Whether listed Company	No
vii.	Name, Address & Contact details of Registrar & Transfer Agent, if any	NA

**AI. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

S. No.	Name and Description of main products / service	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of pesticides and other agro chemical products	2021	100

**BI. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name of the Company	CIN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held
1.	Nova Agri Sciences Private Limited	U01403TG2010PTC068405	Wholly Owned Subsidiary	100
2.	Nova Agri Seeds India Private Limited	U01403TG2009PTC065732	Wholly Owned Subsidiary	100

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2019)	No. of Shares held at the end of the year (31-03-2020)	% Change
--------------------------	--	--	----------

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	10152576	10152576	80.95	0	10152576	10152576	80.95	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	23,87,972	23,87,972	19.05	0	23,87,972	23,87,972	19.05	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>1,25,40,548</b>	<b>1,25,40,548</b>	<b>100</b>	<b>0</b>	<b>1,25,40,548</b>	<b>1,25,40,548</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
g) NRIs - Individuals	0	0	0	0	0	0	0	0	0
h) Other – Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) 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>0</b>	<b>12,54,05,48</b>	<b>12,54,05,48</b>	<b>100</b>	<b>0</b>	<b>12,54,05,48</b>	<b>12,54,05,48</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	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) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</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>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) NRI's	0	0	0	0	0	0	0	0	0
ii) Clearing Members	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(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 Public Shareholding (B)=(B)(1)+ (B)(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>
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>0</b>	<b>1,25,40,548</b>	<b>1,25,40,548</b>	<b>100</b>	<b>0</b>	<b>1,25,40,548</b>	<b>1,25,40,548</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters:**

S. No.	Share Holders Name	Shareholding at the beginning of the year (01-04-2019)			Shareholding at the end of the year (31-03-2020)			% change in Share
		No. of Shares	% of total	% of Shares	No. of Shares	% of total	% of Shares	



			Shares	Pledged / Encumbered		Shares	Pledged / encumbered	holding during the year
1	Y. Samba Siva Rao	57,22,872	45.63	----	57,22,872	45.63	----	Nil
2	M/s. Suraksha Agri Retails (India) P. Ltd.	23,87,972	19.04	----	23,87,972	19.04	----	Nil
3	Y. Malathi	16,84,324	13.43	----	16,84,324	13.43	----	Nil
4	Y Samba Siva Rao (HUF)	5,04,000	4.02	----	5,04,000	4.02	----	Nil
5	N Venkata Subbba Rao	7,93,104	6.32	----	7,93,104	6.32	----	Nil
6	G Santosh Chandra Rao	6,89,656	5.50	----	6,89,656	5.50	----	Nil
7	K Samba Siva Rao	7,58,620	6.05	----	7,58,620	6.05	----	Nil
	<b>TOTAL</b>	<b>1,25,40,548</b>	<b>100</b>	----	<b>1,25,40,548</b>	<b>100</b>	----	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change): - NIL/NA

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during 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	No. of Shares	% of total shares of the Company
	Date wise Increase / Decrease in Promoters Share Holding during the Year specifying the reasons for increase / decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	1,25,40,548	100	1,25,40,548	100	1,25,40,548	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):  
- Not Applicable-

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

#### V. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	96,55,448	1,29,96,661	0	2,26,52,109
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>96,55,448</b>	<b>1,29,96,661</b>	<b>0</b>	<b>2,26,52,109</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	2,08,64,721	0	2,08,64,721
* Reduction	15,26,935	0	0	1,52,69,35
<b>Net Change</b>	<b>15,26,935</b>	<b>2,08,64,721</b>	<b>0</b>	<b>2,23,91,656</b>

<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,81,28,513	3,38,61,382	0	12,19,89,895
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8,81,28,513</b>	<b>3,38,61,382</b>	<b>0</b>	<b>12,19,89,895</b>

#### **VI. Remuneration Of Directors and Key Managerial Personnel:**

##### **(i) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

<b>Sl. No</b>	<b>Particulars of Remuneration</b>	<b>Kiran Kumar Atukuri</b>	<b>Total</b>
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	34,63,029	34,63,029
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify ...	0	0
5.	Others, please specify	0	0
<b>Total(A)</b>		<b>34,63,029</b>	<b>34,63,029</b>

##### **(ii) Remuneration to other directors:**

The Company has paid remuneration to the Directors as follows:

<b>Sl. No</b>	<b>Particulars of Remuneration</b>	<b>Sreekanth Yenigalla</b>	<b>Basanth Kumar Nadella</b>	<b>Total</b>
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	34,40,830	29,29,225	63,70,055
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify ...	0	0	0
5.	Others, please specify			0

<b>Total(A)</b>	<b>34,40,830</b>	<b>29,29,225</b>	<b>63,70,055</b>
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**(iii). Remuneration to Key Managerial Personnel other than MD/Manager/WTB:**

<b>S. No.</b>	<b>Particulars of Remuneration</b>	<b>CFO (Nov- March)</b>	<b>CS</b>	<b>Total Amount</b>
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	3,96,109  Nil  Nil	5,55,000  Nil  Nil	9,51,109  Nil  Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others ,please specify	Nil	Nil	Nil
<b>Total(A)</b>		<b>3,96,109</b>	<b>5,55,000</b>	<b>9,51,109</b>

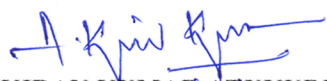
**VII. Penalties / Punishment/ Compounding Of Offences: NIL**

There were no penalties / punishment / compounding of offences for the year ending March 31, 2020.

By the Order of the Board  
**For Nova Agritech Limited**

**Place: Singannaguda**

**Date: 25-10-2020**



**KIRAN KUMAR ATUKURI**  
Managing Director  
DIN: 08143781



**SREEKANTH YENIGALLA**  
Director  
DIN: 07228577

## **REPORT ON CSR ACTIVITIES:**

- 1. Brief outline of the Company's CSR policy, including overview of projects and programs proposed to be undertaken and web-link to the CSR policy and projects or programs.**

### **a) CSR POLICY**

#### **CSR Vision Statement:**

As a socially responsible corporate citizen, the Company will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

#### **Objective CSR Vision:**

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

#### **Resources:**

2% of the average net profits of the Company made during the three immediately preceding financial years; Surplus arising out of CSR activities.

Company will engage in the activities mentioned in the CSR Policy of the Company independently or in such manner that it will complement the work being done by local authorities wherever necessary in such a manner, that the work executed by Company will offer a multi fold benefit to the community.

#### **Implementation Process:**

A CSR Cell is formed at Factory and at Corporate Office to identify the various projects/programmes suitable as per the policy of the Company. These identified projects/programmes will be scrutinized by the CSR Committee and select for implementation.

#### **Monitoring:**

The coordinators periodically inspect & report the progress of work commissioned every quarter and submit a report to CSR Committee.

#### **Projects and programs proposed to be undertaken**

The Company is in process to undertake projects and programme for CSR activities.

**2. The Composition of the CSR Committee**

The CSR Committee of the Company consists of the following Directors on the Boards of the Company:

1. Mr. Srinivasa Rao Vesangi - Chairman
2. Ms. Swapna Kandula - Member
3. Mr. Sri Hari Rao - Member

**3. Average Net Profit of the Company for last three financial years: Rs. 6,47,90,603/-**

**4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): Rs. 12,95,812/-**

**5. Details of CSR spent during the financial year**


- a. Total Amount to be spent for the financial year; Rs. 12,95,812/-
- b. Amount unspent, if any. Rs. 12,95,812/-

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

The Company is unable to identify the suitable projects and programmes to spend the amount on CSR activities. The total unspent value as on 31.03.2020 will be utilized by the Company in the current financial year i.e., F.Y. 2020-21.

**7. A Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.



**(Managing Director)**  
**Kiran Kumar Atukuri**

**(Chairman CSR**  
**Committee)**  
**Srinivasa Rao Vesangi**





**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF NOVA AGRITECH LIMITED**

**Report on the Standalone Financial Statements:**

We have audited the accompanying Standalone financial statements of **NOVA AGRITECH LIMITED** ("the Holding Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**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.

We have determined the matters described below as key audit matters to be communicated in our report



**A. Trade Receivables And Trade Payables: -**

Net Trade receivables amounting to Rs.62,78,88,813 And Net Trade payables amounting to Rs. 23,36,58,371.

Both Trade receivables & Trade Payables are recognized at their anticipated realized value, which is the Original invoice amount less estimated value of allowance.

Both Trade receivables & Trade Payables are considered as key audit matters in the audit due to size of trade receivables & trade payable balance and the high level of management judgment used in determining the provision.

Our Key audit procedure includes the following: -

- We obtained balance confirmations from both vendors and customers;
- We analyzed the aging of trade receivables & payables; and
- We obtained a list of long outstanding receivables, Payables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

**B. Valuation of Inventory: -**

The Net carrying value of the inventory is Rs. 22,62,65,569/- as on 31.03.2020 which is 21.51 % of the total assets of the company.

Valuation of Inventories considered as key audit matter in the audit due to size of the Inventory and valuation of Inventory includes management judgment. According to financial statements and accounting principles inventories are measured at lower of cost or net realizable value. The company has specific procedure to identifying the risk of obsolescence and measuring the inventories at cost or net realizable value.

Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories of stores and spares could not be completed.

Our Key audit procedure includes the following: -

- We have obtained written confirmations of inventories held by the stores in-charge of different locations.
- We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current year purchases present in closing stock and have verified there Goods Receipt Notes and subsequent payments made by the company.
- We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the gross profit ratio





## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of Companies Act 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the





appropriateness of accounting policies used and the reasonableness of the Accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 financial controls 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Companies Act 2013, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Standalone Balance Sheet and Standalone Statement of Profit and Loss and Standalone Cash flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) There are no pending litigations for or against the Company which would impact its financial position.

ii) The Company does not have any derivatives contracts. Further there are no long term contracts for which provisions for any material foreseeable losses is required to be made.

iii) There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

(FRN No.008801S/S200060)

**P Venkata Ratnam**

Partner

M.no:230675

UDIN:21230675AAAAGN1010.

Date:25/10/2020

Place: Hyderabad.





## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nova Agritech Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 Nova Agritech Limited ("the Holding Company") as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standard on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





## 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 statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## 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 control 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 throughout the period of Audit, 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 NSVR & ASSOCIATES LLP.,**

Chartered Accountants

(FRN No. 008801S/S200060)



**P Venkata Ratnam**

Partner

M.no: 230675

UDIN: 21230675AAAAGN1010.



Date: 25/10/2020

Place: Hyderabad



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

i. In respect of the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed Provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. a) As explained to us, the physical verification of inventories, excluding stocks lying with third parties, have been conducted at reasonable intervals by the Management during the year. In case of inventories lying with third parties, certificates of stocks holding have been received.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

iii. The company has granted loans to parties covered in the register maintained under section 189 of the companies act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the company's interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of any loans given or provided any guarantees or given any security or made any investments as applicable.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. The maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the company pursuant to the companies (cost Records and audit) Rules, 2014, as amended and prescribed by the central government under sub-section (1) of Section 148 of the Act and we are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company.





- vii. According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Customs Duty, Cess and other material statutory dues Other than Income Tax applicable to it with the appropriate authorities.
  - There are undisputed amounts payable in respect of Income Tax amounting to Rs.3,28,81,670/- in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- viii. Based on our Audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised moneys by way of initial public offer or further public offer.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation to us, the company has paid / provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any private placement during the year and hence reporting under paragraph 3(xiv) of the order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For NSVR & ASSOCIATES LLP,**

Chartered Accountants

(FRN No.008801S/S200060)

**Venkata Ratnam**

Partner

M.no:230675

UDIN: 21230675AAAAGN1010.

Date:25/10/2020

Place: Hyderabad



Hyderabad.



**NOVA AGRITECH LIMITED**  
**SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN**  
**STANDALONE CASH FLOW STATEMENT FOR THE PERIOD 1.4.2019 TO 31.03.2020**

Particulars	Figures as at the end of current reporting year ending 31st March 2020	Figures as at the end of previous reporting Year ending 31st March 2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	3,28,13,187	6,64,77,168
Adjustments for :		
Depreciation	1,78,49,775	1,60,11,403
Profit on sale of Fixed Assets	(1,09,303)	
Interest Expenses	5,68,05,501	2,72,23,679
Provision for gratuity during the year	17,14,566	88,58,844
Provision for CSR during the year	12,95,812	
<b>Operating Cash Flow before Working Capital Changes</b>	<b>11,03,69,538</b>	<b>11,85,71,094</b>
<b>Adjustments for Changes in Working Capital</b>		
Decrease/(Increase) in Inventories	4,92,23,431	(69,42,080)
Decrease/(Increase) in Trade Receivables	(13,59,96,083)	(12,14,29,842)
Decrease/(Increase) in Short Term Loans & Advances	(34,87,434)	(90,84,156)
Decrease/(Increase) in Other Current Assets	(6,88,846)	
Increase/(Decrease) in Trade Payables	(9,17,63,189)	1,25,26,564
Increase/(Decrease) in Other Current Liabilities	(39,71,258)	2,85,86,962
<b>Cash Generated from Operations</b>	<b>(7,63,13,842)</b>	<b>2,22,28,542</b>
Less: Taxes Paid	(2,34,58,916)	(30,000)
<b>Cash Flow from Operating Activities</b>	<b>(9,97,72,757)</b>	<b>2,21,98,542</b>
Less: Extra ordinary items		
<b>Net Cash Flow from Operating Activities(A)</b>	<b>(9,97,72,757)</b>	<b>2,21,98,542</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,96,77,240)	(2,96,09,212)
Sale of Fixed Assets	3,58,780	
Purchase of Investments		
Decrease/(Increase) in Capital Work-in Progress	66,98,551	1,00,11,521
Decrease/(Increase) in Other Long Term Loans & Advances	1,13,250	(7,400)
Decrease/(Increase) in Other Non Current Assets		
<b>Cash Flow from Investing Activities(B)</b>	<b>(1,25,06,659)</b>	<b>(1,96,05,090)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital		
Additions/ (Repayment) of Loans	11,22,95,686	1,32,44,498
Interest Paid	(5,68,05,502)	(2,72,23,679)
Increase/(Decrease) in other Long term Liabilities	39,59,293	1,79,31,011
Increase/(Decrease) in Short Term Borrowings	5,16,56,501	(18,28,707)
<b>Cash Flow from Financing Activities(C)</b>	<b>11,11,05,978</b>	<b>21,23,123</b>
<b>D. NET CHANGES IN CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>(11,73,438)</b>	<b>47,16,575</b>
<b>E. OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>18,93,188</b>	<b>31,49,645</b>
<b>F. CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS (D+E)</b>	<b>7,19,750</b>	<b>18,93,188</b>

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

Firm Regd No. 008801S/S200060

**VENKATA RATNAM P**

Partner

Membership No. 230675

UDIN: 21230675AAAAGN1010



On behalf of Board of Directors

**For NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**

(Managing Director)

(DIN: 08143781)

**SREEKANTH Y**

(Director)

(DIN: 07228577)

**SHRAGAVI K**

(Chief Financial officer)

**BASANTH KUMAR N**

(Director)

(DIN: 08139510)

**NEHA SONI**

(Company Secretary)

Place : Hyderabad

Date : 25/10/2020

**NOVA AGRITECH LIMITED**  
**SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31.03.2020**

Sr. No	Particulars	Note No.	Figures as at the end of current reporting year ending 31st March 2020	Figures as at the end of previous reporting Year ending 31st March 2019
I	Revenue from operations	21	1,03,36,02,955	1,10,78,20,445
II	Other Income	22	1,32,469	73,658
III	<b>Total Revenue (I +II)</b>		<b>1,03,37,35,424</b>	<b>1,10,78,94,103</b>
IV	<b>Expenses:</b>			
	(a) Purchases	23	45,60,03,534	56,22,15,281
	(b) Changes in inventories of Raw material, finished goods, work-in-progress and Stock-in-trade	24	4,92,23,431	(69,42,080)
	(c) Employee Benefit Expense	25	17,29,55,123	19,04,43,338
	(d) Finance Costs	26	5,68,05,501	2,72,23,679
	(e) Depreciation and Amortization Expense	27	1,78,49,775	1,60,11,403
	(f) Other Expenses	28	24,80,84,873	25,24,65,315
	<b>Total Expenses (IV)</b>		<b>1,00,09,22,237</b>	<b>1,04,14,16,935</b>
V	Profit before exceptional and extraordinary items and tax		<b>3,28,13,187</b>	<b>6,64,77,168</b>
VI	Exceptional Items			
VII	Profit before extraordinary items and tax (V - VI)		<b>3,28,13,187</b>	<b>6,64,77,168</b>
VIII	Extraordinary Items			
IX	Profit before tax (VII - VIII)		<b>3,28,13,187</b>	<b>6,64,77,168</b>
X	<b>Tax expense:</b>			
	(1) Current tax		1,06,06,990	2,41,18,293
	(2) Deferred tax		26,64,665	(14,50,813)
XI	Profit/(Loss) for the period (XI + XIV)		<b>1,95,41,532</b>	<b>4,38,09,688</b>
XII	Earning per equity share:			
	(1) Basic		1.56	3.49
	(2) Diluted		1.56	3.49

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement in Note no. 1  
This is the Profit & Loss Statement referred to in our Report of even date.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

Firm Regd No. 008801S/200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 21230675AAAAAGN1010

On behalf of Board of Directors  
**For NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
(Managing Director)  
(DIN: 08143781)

**SREEKANTH Y**  
(Director)  
(DIN: 07228577)

**BASANTH KUMAR N**  
(Director)  
(DIN: 08139510)

**BHARGAVI K**  
(Chief Financial officer)

**NEHA SONI**  
(Company Secretary)

Place : Hyderabad  
Date : 25/10/2020



**NOVA AGRITECH LIMITED**  
**SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN**  
**STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	Notes	Figures as at the end of current reporting year ending 31st March 2020	Figures as at the end of previous reporting year ending 31st March 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	12,54,05,480	12,54,05,480
(b) Reserves and Surplus	3	15,24,10,288	13,28,68,755
<b>(2) Share Application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	12,19,89,895	2,26,52,109
(b) Other long Term Liabilities	5	2,76,53,274	2,36,93,981
(c) Long Term Provisions	6	88,58,844	77,09,824
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	25,01,31,043	19,84,74,542
(b) Trade Payables	8	23,36,58,371	32,54,21,560
(c) Other Current Liabilities	9	8,53,77,116	7,63,90,474
(d) Short-Term Provisions	10	4,64,66,943	5,74,57,512
<b>Total Equity &amp; Liabilities</b>		<b>1,05,19,51,253</b>	<b>97,00,74,237</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Asset	11	13,14,69,250	12,98,81,316
(ii) Intangible Asset	11	28,474	38,420
<b>Net Block</b>		<b>13,14,97,724</b>	<b>12,99,19,736</b>
(iii) Capital Work In Progress	11	-	66,98,551
(b) Non - Current Investments	12	1,85,01,000	1,85,01,000
(c) Deferred tax assets (net)	13	13,20,494	39,85,159
(d) Other Long Term Loans & Advances	14	2,31,30,511	2,32,43,761
(e) Other non-current assets	15	-	-
<b>(2) Current Assets</b>			
(a) Inventories	16	22,62,65,569	27,54,89,000
(b) Trade receivables	17	62,78,88,813	49,18,92,730
(c) Cash and cash equivalents	18	7,19,750	18,93,188
(d) Short-term loans and advances	19	2,13,38,546	1,78,51,112
(e) Other Current Assets	20	12,88,846	6,00,000
<b>Total Assets</b>		<b>1,05,19,51,253</b>	<b>97,00,74,237</b>

Schedules referred to above and notes attached there to form an integral part of Balance Sheet in Note no 1  
This is the Balance Sheet referred to in our Report of even date.

**For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm Regd No. 008801S/S200600

**VENKATA RATNAM P**

Partner

Membership No. 230675

UDIN: 21230675AAAAAGN1010



On behalf of Board of Directors  
**For NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**

(Managing Director)

(DIN: 08143781)

**SREEKANTH Y**

(Director)

(DIN: 07228577)

**BASANTH KUMAR N**

(Director)

(DIN: 08139510)

**BHARGAVI K**

(Chief Financial officer)

**NEHA SONI**

(Company Secretary)

Place : Hyderabad

Date : 25/10/2020

## NOVA AGRITECH LIMITED

## Standalone Notes Forming Integral Part of the Balance Sheet as at 31st MARCH, 2020

## NOTE : 2 SHARE CAPITAL

Sr. No	Particulars	31/03/2020		31/03/2019	
		Number	Amount	Number	Amount
1	AUTHORIZED CAPITAL 2,00,00,000 Equity Shares of Rs. 10/- each,	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
		2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
2	ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL 1,25,40,548 Equity Shares of Rs. 10/- each,	1,25,40,548	12,54,05,480	1,25,40,548	12,54,05,480
	<b>Total in</b>	<b>1,25,40,548</b>	<b>12,54,05,480</b>	<b>1,25,40,548</b>	<b>12,54,05,480</b>

## 3 Reconciliation of Number of Shares

	31/03/2020		31-03-2019	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares:</b>				
Balance as at the beginning of the year	1,25,40,548	12,54,05,480	23,56,676	2,35,66,760
Add: Shares issued during the Year	-	-	1,01,83,872	10,18,38,720
Balance as at the end of the year	<b>1,25,40,548</b>	<b>12,54,05,480</b>	<b>1,25,40,548</b>	<b>12,54,05,480</b>

## 4 Details of Shareholders Holding more than 5% of shares in the company

	31/03/2020		31/03/2019	
	No of shares	% of holding in the class	No of shares	% of holding in the class
<b>Equity Shares:</b>				
<b>Name of the Share Holder</b>				
Yeluri Sambasiva Rao ( HUF)	5,04,000	4.02%	5,04,000	4.02%
Yeluri Malathi	16,84,324	13.43%	16,84,324	13.43%
Y Sambasiva Rao	57,22,872	45.63%	57,22,872	45.63%
Suraksha Agri Retail ( India ) Private Limited	23,87,972	19.04%	23,87,972	19.04%
K Samba siva Rao	7,58,620	6.05%	7,58,620	6.05%
NV subba rao	7,93,104	6.32%	7,93,104	6.32%
G Santosh Chandra Rao	6,89,656	5.50%	6,89,656	5.50%
<b>TOTAL</b>	<b>1,25,40,548</b>	<b>100.00%</b>	<b>1,25,40,548</b>	<b>100.00%</b>

## a Rights attached to Equity Shares:

The company has only one class of Equity shares having a par value of Rs. 10/- each. The shareholders have equal rights per share in terms of dividend, voting & Assets of the company.



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**NOVA AGRITECH LIMITED**  
Standalone Notes Forming Integral Part of the Balance Sheet as at 31st MARCH, 2020

**NOTE : 3 RESERVE & SURPLUS**

Sr. No	Particulars	31/03/2020	31/03/2019
1	<b>Securities Premium</b>		
	Opening Balance	-	-
	Add: Shares issued during the year	-	-
	Less: Bonus shares issued out of Securities Premium	-	-
	<b>Closing Balance</b>	-	-
2	<b>Surplus (Profit &amp; Loss Account)</b>	<b>15,24,10,288</b>	<b>13,28,68,755</b>
	Balance brought forward from previous year	13,28,68,755	8,90,59,068
	Add: Profit for the period	1,95,41,532	4,38,09,687
	Less: Bonus shares issued during the year	-	-
	<b>Total in `</b>	<b>15,24,10,288</b>	<b>13,28,68,755</b>

**NOTE : 4 LONG TERM BORROWINGS**

Sr. No	Particulars	31/03/2020	31/03/2019
1	<b>Secured Loans</b>		
	Term Loan From Sri Ram City Finance	7,92,02,423	-
	Vehicle Loan From Banks On Hypothecation of Vehicles	89,26,089	96,55,448
	<b>Long Term portion of Borrowings</b>	<b>8,81,28,513</b>	<b>96,55,448</b>
2	<b>Unsecured Loans</b>		
	From Directors	3,21,81,711	1,29,96,661
	Term Loan From India Infoline Finance Limited	16,79,671	-
	<b>Total in `</b>	<b>12,19,89,895</b>	<b>2,26,52,109</b>

S.No	Name of the Bank	Sanctioned Amount	Rate of Interest	Repayment Schedule	Security	Amount O/s
1	Sri Ram City Finance Ltd	Rs.1000 lakhs	26.801% p.a	Repayable in 60 monthly equal installments of Rs. 3041667/- each	Secured by hypothecation of Factory building being constructed at a cost of Rs. 385.82 lakhs & Land amounting to Rs. 69.96 lakhs	9,11,04,066/-
2	Corporation Bank	Rs.80 lakhs	11.05% p.a	Repayable in 84 monthly equal installments of Rs.132400/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 99.39 lakhs	52,78,553/-
3	ICICI Bank	Rs.20.87 lakhs	8.80% p.a	Repayable in 60 monthly equal installments of Rs.43163/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 20.89 lakhs	15,28,356/-
4	ICICI Bank	Rs.12.19 lakhs	8.80% p.a	Repayable in 60 monthly equal installments of Rs.25637/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 12.19 lakhs	8,97,556/-
5	ICICI Bank	Rs.12.19 lakhs	8.80% p.a	Repayable in 60 monthly equal installments of Rs.25637/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 12.19 lakhs	8,97,694/-
6	Indus Bank	Rs.15.60 lakhs	9.05% p.a	Repayable in 60 monthly equal installments of Rs.32853/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 21.90 lakhs	11,03,244/-
7	Indus Bank	Rs.7.70 lakhs	9.05% p.a	Repayable in 60 monthly equal installments of Rs.16294/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 9.05 lakhs	5,45,928/-

**Details of Collateral Security**

\*\* Personal Gaurantee of Y.Sambasiva Rao, S Malathi, Suraksha Agriretails Pvt ltd, Mohammad Ali, J Ashok Kumar, Santosh Chandra rao, Nova Agri sciences Pvt Ltd.

\*\* Collateral security of Properties held by the company and Gaurantors.

**NOTE : 5 OTHER LONG TERM LIABILITIES**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Security Deposits from Dealers	1,08,09,930	89,81,981
2	Margadarshi Chit Fund Pvt Ltd	1,40,09,744	1,27,80,000
3	Srivatshava Chits Pvt Ltd	28,33,600	19,32,000
	<b>Total in `</b>	<b>2,76,53,274</b>	<b>2,36,93,981</b>



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**NOTE : 6 LONG TERM PROVISIONS**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Provision for Gratuity	88,58,844	77,09,824
	<b>Total in `</b>	<b>88,58,844</b>	<b>77,09,824</b>

**NOTE : 7 SHORT TERM BORROWINGS**

Sr. No	Particulars	31/03/2020	31/03/2019
1	<b>Secured Loans</b>		
	- From Corporation Bank CC	23,99,08,433	19,84,74,542
	- Credit Cards	1,02,22,610	
	<b>Total in `</b>	<b>25,01,31,043</b>	<b>19,84,74,542</b>

S.No	Name of the Bank	Amount sanctioned	Date of Sanction	Security	DP limit	Rate of Interest	Amount O/s
1	Corporation Bank	Rs. 2400 lakhs	17th June 2019	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	Rs. 2400 lakhs	11.65% p.a	Rs. 2399.09 lakhs

**Details of Collateral Security**

\*\* Personal Gaurantee of Y.Sambasiva Rao, S Malathi, Suraksha Agriretails Pvt ltd, Mohammad Ali, J Ashok Kumar, Santosh Chandra rao, Nova Agri sciences Pvt Ltd.

\*\* Collateral security of Properties held by the company and Gaurantors.

**NOTE : 8 TRADE PAYABLES**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Supplier for Goods & Services	23,36,58,371	32,54,21,560
	<b>Total in `</b>	<b>23,36,58,371</b>	<b>32,54,21,560</b>

**NOTE : 9 OTHER CURRENT LIABILITIES**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Statutory Dues Payables	2,13,59,307	3,78,10,392
2	Expenses Payable	2,12,06,595	1,94,22,318
3	Payable to Employees	2,34,95,928	1,45,03,358
4	Current Maturities of Long Term Borrowings	1,66,57,546	36,99,646
5	Other Payables	26,57,740	9,54,760
	<b>Total in `</b>	<b>8,53,77,116</b>	<b>7,63,90,474</b>

**NOTE : 10 SHORT TERM PROVISIONS**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Provision For Taxation ( Net of TDS & Advance Tax)	4,34,56,566	5,63,08,492
2	Provision for Gratuity	17,14,565	11,49,020
3	Provision for CSR	12,95,812	
	<b>Total in `</b>	<b>4,64,66,943</b>	<b>5,74,57,512</b>





## NOVA AGRITECH LIMITED

Standalone Notes Forming Integral Part of the Profit &amp; Loss statement as at 31st MARCH, 2020

## NOTE : 21 REVENUE FROM OPERATIONS

Sr. No	Particulars	31/03/2020	31/03/2019
1	Sales (Net)	1,03,27,90,530	1,10,56,25,405
2	<b>Other Operating Income :</b>		
	a. Interest Income	4,13,585	18,83,640
	b. Rental Income	3,00,000	3,00,000
	c. Sale of Scrap	98,840	11,400
	<b>Total in</b>	<b>1,03,36,02,955</b>	<b>1,10,78,20,445</b>

## NOTE : 22 OTHER INCOME

Sr. No	Particulars	31/03/2020	31/03/2019
1	Misc. Income	1,32,469	73,658
	<b>Total in</b>	<b>1,32,469</b>	<b>73,658</b>

## NOTE : 23 PURCHASES

Sr. No	Particulars	31/03/2020	31/03/2019
a)	<b><u>PURCHASES OF RAW MATERIALS AND STORES</u></b>		
1	Purchases (Net)	45,60,03,534	56,22,15,281
	<b>Sub-total (a)</b>	<b>45,60,03,534</b>	<b>56,22,15,281</b>
	<b>Total in</b>	<b>45,60,03,534</b>	<b>56,22,15,281</b>

## NOTE : 24 CHANGE IN INVENTORIES

Sr. No	Particulars	31/03/2020	31/03/2019
1	Opening Stock of Inventory	27,54,89,000	26,85,46,920
2	Closing Stock of Inventory	22,62,65,569	27,54,89,000
	<b>Total in</b>	<b>4,92,23,431</b>	<b>(69,42,080)</b>

## NOTE : 25 EMPLOYEE BENEFIT EXPENSES

Sr. No	Particulars	31/03/2020	31/03/2019
1	Salaries, Bonus & Remuneration	16,06,05,319	17,88,11,043
2	Contribution to PF, ESI & Gratuity	81,18,004	93,01,271
3	Staff welfare Expenses	42,31,800	23,31,024
	<b>Total in</b>	<b>17,29,55,123</b>	<b>19,04,43,338</b>



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**NOTE : 26 FINANCE COST**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Interest On CC	2,58,73,137	2,31,35,811
2	Interest On Vehicle Loan & Terms Loan	2,53,68,032	10,57,258
3	Loss on Chits	14,57,408	-
4	Other Borrowing Costs	41,06,924	30,30,610
	<b>Total in</b>	<b>5,68,05,501</b>	<b>2,72,23,679</b>

**NOTE : 27 DEPRECIATION & AMORTIZATION**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Depreciation on Fixed Assets	1,78,49,775	1,60,11,403
2			-
	<b>Total in</b>	<b>1,78,49,775</b>	<b>1,60,11,403</b>

**NOTE : 28 OTHER EXPENSES**

Sr. No	Particulars	31/03/2020	31/03/2019
1	Power & Fuel	32,21,997	13,63,845
2	Rental Expense	14,23,897	11,98,479
3	Repairs & Maintenance	88,99,089	36,12,468
4	Research & Development Expenses	9,21,939	1,08,46,221
5	Travelling Expenses	4,40,35,657	4,77,48,926
6	Transport Charges	3,77,58,971	3,28,92,045
7	Office Maintenance	55,45,497	53,99,009
8	Marketing Expenses	3,14,71,436	5,06,45,858
9	Subscriptions & Renewals	17,96,579	10,68,807
10	Bank Charges	5,73,114	4,79,706
11	Discount Allowed	9,02,91,297	8,60,51,264
12	Training Expenses	7,66,036	4,93,036
13	Insurance Expenses	13,59,357	8,23,566
14	Rates & Taxes	29,41,996	6,43,651
15	Consultancy Charges	57,95,484	5,63,019
16	Audit Fees	5,00,000	5,00,000
17	Loading & Unloading Expenses	32,69,470	18,57,560
18	Pooja Expenses	64,500	47,980
19	Postage & Courier Charges	4,92,952	6,21,554
20	Printing & Stationary Expenses	10,78,354	18,90,245
21	Telephone & Internet Charges	26,67,421	19,45,446
22	Other Expenses	19,14,018	17,72,630
23	CSR Expenses	12,95,812	-
	<b>Total in</b>	<b>24,80,84,873</b>	<b>25,24,65,315</b>



*P. C. S.*

*A. K. S.*

*[Signature]*

*[Signature]*



## NOVA AGRITECH LIMITED

## NOTE NO. 11 - DEPRECIATION AS PER COMPANIES ACT 2013

S No	Head of Asset	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Additions	Deletions	Closing	Opening	During the year	Deletions	Closing	31-03-2020	31-03-2019
1	Office Equipment	33,31,295.88	65,713.00	-	33,97,008.88	25,20,824.12	3,72,510	-	28,93,334.16	5,03,674.72	8,10,471.76
2	Computers & Peripherals	79,42,998.68	11,15,177.90	-	90,58,176.58	51,48,616.32	19,22,674	-	70,71,290.76	19,86,885.82	27,94,382.36
3	Furniture & Fixtures	47,53,567.00	1,06,692.00	-	48,60,259.00	27,34,427.52	5,72,553	-	33,06,980.62	15,53,278.38	20,19,139.48
4	Motor Vehicles	3,16,47,316.00	-	43,41,689.00	2,73,05,627.00	1,87,05,378.25	37,35,575	40,92,211.85	1,83,48,741.33	89,56,885.67	1,29,41,937.75
5	Plant & Machinery	1,39,87,752.00	17,64,198.00	-	1,57,51,950.00	83,67,645.30	18,88,756	-	1,02,56,401.12	54,95,548.88	56,20,106.70
6	Buildings	11,52,55,741.00	1,56,89,402.00	-	13,09,45,143.00	3,39,09,940.10	91,60,144	-	4,30,70,083.74	8,78,75,039.26	8,13,45,800.90
7	Land	2,40,27,705.00	-	-	2,40,27,705.00	-	-	-	-	2,40,27,705.00	2,40,27,705.00
8	Electrical Equipment	12,96,764.00	9,36,056.90	-	22,32,820.90	9,74,991.75	1,87,617	-	11,62,608.65	10,70,212.25	3,21,772.25
9	Intangible Assets	70,000.00	-	-	70,000.00	31,579.89	9,946	-	41,525.68	28,474.32	38,420.11
<b>Total</b>		<b>20,23,13,139.56</b>	<b>1,96,77,239.80</b>	<b>43,41,689.00</b>	<b>21,76,48,690.36</b>	<b>7,23,93,403.25</b>	<b>1,78,49,774.67</b>	<b>40,92,211.85</b>	<b>8,61,50,966.07</b>	<b>13,14,97,724.29</b>	<b>12,99,19,736.31</b>
<b>Capital Work in Progress</b>		<b>66,98,551.23</b>	<b>53,85,463.00</b>	<b>1,20,84,014.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,98,551.23</b>



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**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**Note -1 –Significant Accounting Policies:**

**Disclosure of Accounting Policies:**

**A. Basis of Preparation of Financial Statements:**

The Financial Statements of the Holding company, Nova Agritech Limited for the year ended 31<sup>st</sup> march 2020 have been prepared under the generally accepted accounting principles in India (Indian GAAP) and were originally approved by the Board of Directors of the company.

The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

**B. Use of Estimates :**

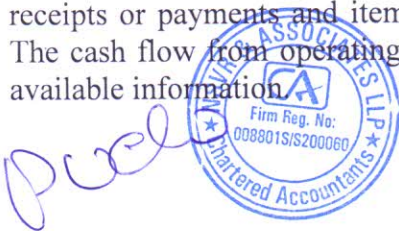
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**C. Valuation of Inventories :**

Inventories are valued in accordance with the requirements of accounting standard (AS-2) on Valuation of Inventories. Inventory consists of Bio Stimulants, Micronutrients and Organic Inputs & packing materials which are valued at lower of cost or net realizable value after providing for obsolescence and other losses, where ever considered necessary. Cost comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition of inventory.

**D. Cash Flow Statement :**

Cash Flow statement is reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flow from operating, investing and financing activities of company is segregated based on the available information.





**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**E. Events & Contingencies occurring after the date of Balance Sheet :**

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

**F. Net profit or loss for the period, prior period items and changes in Accounting Policies:**

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

**G. Revenue Recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of fertilizers & pesticides is recognized when significant risks & rewards in relation to the ownership of goods has been transferred to the buyer.

Revenue presented is net of GST, to the extent applicable.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable as on that date.

**H. Property, Plant & Equipment:**

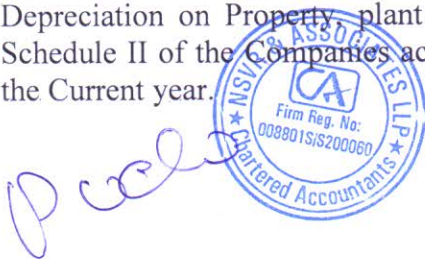
Property, Plant & Equipment is stated at Cost Model i.e. cost of acquisition or construction, less accumulated depreciation and impairment losses, if any.

The cost of Property, Plant & Equipment comprises:

1. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
2. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.
3. Investments Costs includes Brokerage, Duties and Fees

**Method of Depreciation:**

Depreciation on Property, plant and equipment is provided based on useful life prescribed under the Schedule II of the Companies act, 2013. Depreciation is provided on Writtendown Value method during the Current year.



**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**I. Foreign Currency Transactions :**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c. Non-monetary foreign currency items are carried at cost.
- d. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**J. Borrowing Costs :**

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The borrowing cost other than those capitalized as above have been debited to the Statement of Profit and Loss of the current year.

**K. Investments :**

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist. Any reduction in the carrying amount and any reversal in such reductions are charged or credited to the statement of profit and loss.





**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**L. Employee Benefit Expenses :**

All short-term employee benefits such as salary, wages etc. is accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. These are considered as the defined contribution schemes and are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is recognized on the basis of actuarial valuation carried out using projected unit credit method. The liability for Gratuity is accrued and provided for as per the requirements of Accounting Standard - 15 on "Employee Benefits".

**M. Segment Reporting :**

The Segment reporting is based on the following Accounting policies adopted by the company which is in line with the regular accounting policy.

- a. Inter Segment revenue has been accounted on the basis of estimated price, on the basis of ruling market prices.
- b. Revenue and expenses directly relatable to the segment has been ascertained on the basis of their relationship to the activities of the segment.
- c. Expenses not relatable to segment and not allocable have been included under unallocated corporate expenses.

The company has only one reportable segment i.e., Sale of Bio Stimulants, Micronutrients and Organic Inputs and hence this standard is not applicable.

**N. Earnings per share :**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

**O. Taxes on Income :**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss.





**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**Current Tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

**Deferred tax:**

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax asset/ liability can be realized against future taxable profits.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**P. Leases:**

At the inception of the lease, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

**Finance leases**

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.





**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**Operating leases:**

Leases other than Finance Lease are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

**Q. Research And Development Expenses :**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

**R. Impairment of Assets :**

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**S. Intangible Assets and Amortisation**

Intangible assets are recorded at the consideration paid for acquisition including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use.

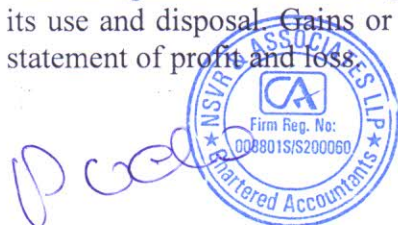
Intangible assets are amortized on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management's estimates of the useful lives for various categories of intangible assets are given below:

Particulars	Years
Trade Marks	10

The amortization period and the amortisation method for intangible assets are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefit is expected from its use and disposal. Gains or losses arising from the disposal of intangible assets are recognized in the statement of profit and loss.





**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**T. Provisions, Contingent Liabilities & Contingent Assets :**

A provision is recognized if it is as a result of a past event, the company has a present legal obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**NOTES TO ACCOUNTS:**

**29. Contingent Liabilities & other Commitments:**

Particulars	As at 31 <sup>st</sup> Mar 2020	As at 31 <sup>st</sup> Mar 2019
Claims against the Company not acknowledged as debts		
Goods & Service Tax	-	-
Income Tax	-	-
<b>Corporate Guarantees-</b> Nova Agri sciences Pvt (Subsidiary)	4,00,00,000	4,00,00,000
Claims made by the Company through Legal suits		
-On ApoorvaDiary Farm India Private Limited.	1,49,63,089	1,49,63,089
<b>Total</b>	<b>5,49,63,089</b>	<b>5,49,63,089</b>

**Note:** The company has filed a suit against the ApoorvaDiary Farm India Private Limited in respect of recovery of Investment made in ApoorvaDiary Farm Private Limited. The case has been filed for an amount of Rs. 1,49,63,089/- plus interest on the said amount.

**30. Related Party Transactions:**

**Statement of related parties:**

**I. Directors & KMP :**

Name of the Person	Designation
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**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

SreekanthYenigalla	Director
NadellaBasanth Kumar	Director
Kiran Kumar Atukuri	Director
SrinivasaRaoVesangi	Director
Ramesh BabuNemani	Director
Ashok Kumar J	Manager F &A
Kiran Kumar R	Manager HR

**II. Relatives of Directors &KMP:Nil**

**III. Enterprise over which Directors or relatives of Directors are having Significant Influence :**

<b>Name of the Enterprise</b>
SurakshaAgri Retails India Private Ltd
Nova FertilcarePvt Ltd
Nova Agrisciences Private Limited
Nova Agriseeds Private Limited

**Transaction with related parties:**

**a. Director or KMP:**

<b>Particulars</b>	<b>For the FYending 31<sup>st</sup> March 2020</b>	<b>For the FY ending 31<sup>st</sup> March 2019</b>
1. Salary & Remuneration	2,78,33,084	2,92,77,055
<b>2. Advances given by the company</b>		
i. Opening Balance	-	-
ii. Advances given during the year	-	-
iii. Receipt of Loan given during the year	-	-
iv. Closing Balance	-	-
<b>3. Advances taken by the company</b>		
i. Opening Balance	1,29,96,661	-
ii. Loans taken by the company	3,07,83,300	1,40,86,661
iii. Repayment of Loans	1,15,98,250	10,96,000
iv. Closing Balance	3,21,81,711	1,29,96,661

**b. Relatives of Director or KMP :**

Nil



**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**31. Earnings per share:**

Particulars	For the Financial Year ending 31 <sup>st</sup> March 2020	For the Financial Year ending 31 <sup>st</sup> March 2019
Net Profit as per Profit & Loss Account available Equity Shareholders	1,95,41,532	4,38,09,687
Weighted Average Number of Equity Shares for EPS Computation		
A. For Basic Earnings Per Share of ` 10 each	1,25,40,548	1,25,40,548
B. For Diluted Earnings Per Share of ` 10 each:	1,25,40,548	1,25,40,548
<b>Earnings Per Share</b>		
-Basic	1.56	3.49
-Diluted	1.56	3.49

**32. Deferred Tax Asset:**

Particulars	For the FY ending 31 <sup>st</sup> March 2020	For the FY ending 31 <sup>st</sup> March 2019
<b>Deferred tax (liabilities)/assets arising on account of timing difference in:</b>		
Opening Balance	39,85,159	25,34,346
<b>Add:</b> Addition during the year on account of difference	(26,64,665)	14,50,813
<b>Closing Balance (a)</b>	<b>13,20,494</b>	<b>39,85,159</b>

**33. Auditor's Remuneration:**

Particulars	For 2019-2020	For 2018-19
Statutory Audit Fees	4,00,000	4,00,000
For Other Matters	1,00,000	1,00,000
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

**34. Earnings & Expenditure in Foreign Currency:**

Particulars	For 2019-2020	For 2018-19
Foreign Exchange Loss	4,57,966	-





**NOVA AGRITECH LIMITED**  
**Standalone Notes forming Part of Financial Statements**

**35. Obligations towards Lease Payments :**

The company has not entered into any Operating Lease arrangements during the year.

**For NSVR & ASSOCIATES LLP,**

Chartered Accountants

Firm Regd. No. 008801S/S200060



*P. Venkata Ratnam P*

**VENKATA RATNAM P**

Partner

Membership No. 230675

UDIN:21230675AAAAGN1010.

*Sreekanth Y*

**SREEKANTH Y**  
(Director)  
(DIN: 07228577)

On& behalf of Board

**For NOVA AGRITECH LIMITED**

*Kiran Kumar A*

**KIRAN KUMAR A**  
(Chief Executive Officer)  
(DIN: 08143781)

*Basanth Kumar N*

**BASANTH KUMAR N**  
(Director)  
(DIN: 08139510)

**Place:** Hyderabad

**Date:** 25/10/2020.



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**NOVA AGRITECH LIMITED.**

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated financial statements of **NOVA AGRITECH LIMITED** ("the Holding Company"), its subsidiaries ("the Holding Company and its Subsidiaries together referred to as the group"), which comprise the consolidated Balance Sheet as at March 31<sup>st</sup>, 2020, the Statement of consolidated Profit and Loss, including the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of consolidated affairs of the Company as at March 31<sup>st</sup>, 2020, its consolidated Profit and consolidated 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated financial statements under the provisions of the Companies Act, 2013 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. We have determined that there are no key audit matters to be communicated in our audit report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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





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

### **Management's Responsibility for the consolidated 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 Consolidated financial statements that give a true and fair view of the state of affairs, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Consolidated 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 Consolidated 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.





- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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.

(A) As required by Section 143(3) of the Act, we report that:

- loss and the consolidated S  
of account



- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to Consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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/provided 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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations to which would have an impact on its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Report on Other Legal and Regulatory Requirements (continued)**

- (B) 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 is not applicable to the Consolidated Financial Statements.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

(FRN No.008801S/S200060)

*P Venkata Ratnam*

**P Venkata Ratnam**

Partner

M.no:230675

UDIN : 21230675AAAAGO8396

Date:25/10/2020

Place: Hyderabad.





**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NOVA AGRITECH LIMITED**

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

To the Members of **NOVA AGRITECH LIMITED**

We have audited the internal financial controls over financial reporting of **NOVA AGRITECH LIMITED** ("the holding company") and its subsidiaries ("the holding company and its subsidiaries together referred to as the group") as of March 31<sup>st</sup>, 2020 in conjunction with our audit of the Consolidated 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. 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 the 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.

**Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 throughout the period of Audit, 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 NSVR & ASSOCIATES LLP.,**

Chartered Accountants

(FRN No.008801S/S200060)


**P Venkata Ratnam**

Partner

M.no:230675

UDIN : 21230675AAAAGO8396

Date:25/10/2020

Place: Hyderabad.

**NOVA AGRITECH LIMITED**  
**SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31.3.2020**

Sr. No	Particulars	Note No.	Figures as at the end of current reporting year ending 31st March 2020	Figures as at the end of current reporting year ending 31st March 2019
I	Revenue from operations	21	1,38,31,44,252	1,30,77,55,986
II	Other Income	22	1,37,236	2,36,873
III	<b>Total Revenue (I +II)</b>		<b>1,38,32,81,488</b>	<b>1,30,79,92,859</b>
IV	<b>Expenses:</b>			
	(a) Purchases	23	69,33,59,290	72,81,15,552
	(b) Changes in inventories of Raw material, finished goods, work-in-progress and Stock-in-trade	24	1,55,03,041	-4,72,20,646
	(c) Employee Benefit Expense	25	21,00,84,115	22,28,93,119
	(d) Finance Costs	26	6,35,95,129	3,45,68,047
	(e) Depreciation and Amortization Expense	27	2,33,56,974	2,33,52,858
	(f) Other Expenses	28	31,67,33,203	27,19,42,727
	<b>Total Expenses (IV)</b>		<b>1,32,26,31,752</b>	<b>1,23,36,51,657</b>
V	Profit before exceptional and extraordinary items and tax		<b>6,06,49,736</b>	<b>7,43,41,202</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>6,06,49,736</b>	<b>7,43,41,202</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>6,06,49,736</b>	<b>7,43,41,202</b>
X	<b>Tax expense:</b>			
	(1) Current tax		1,95,80,333	2,73,23,094
	(2) Deferred tax		23,56,472	-18,49,182
XI	<b>Profit/(Loss) for the period Attributable to (XI + XIV)</b>		<b>3,87,12,931</b>	<b>4,88,67,289</b>
	1) Owners of the Parent		3,87,12,931	4,88,67,289
	2) Non controlling Interest		-	-
XII	Earning per equity share:			
	(1) Basic		3.09	3.90
	(2) Diluted		3.09	3.90

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement in Note no. 1

This is the Profit & Loss Statement referred to in our Report of even date.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

Firm Regd No. 008801S/S200060

*P. Venkata Ratnam P*

**VENKATA RATNAM P**

Partner

Membership No. 230675

UDIN : 21230675AAAAG08396



On behalf of Board of Directors

**For NOVA AGRITECH LIMITED**

*K. Kiran Kumar A*

**KIRAN KUMAR A**

(Director)

(DIN: 08142781)

*Sreekanth Venigalla*

**SREEKANTH VENIGALLA**

(Director)

(DIN: 07228577)

*Basanth Kumar N*

**BASANTH KUMAR N**

(Director)

(DIN: 08139510)

*Bhargavi K*

**BHARGAVI K**

(Chief Financial Officer)

*Neha Soni*

**NEHA SONI**

(Company Secretary)

Place : Hyderabad

Date : 25/10/2020



**NOVA AGRITECH LIMITED**  
**SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	Note No.	Figures as at the end of current reporting year ending 31st March 2020	Figures as at the end of current reporting year ending 31st March 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	12,54,05,480	12,54,05,480
(b) Reserves and Surplus	3	18,23,19,457	14,36,06,526
(c) Non Controlling Interest		-	-
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	15,09,71,287	6,09,04,590
(b) Other long Term Liabilities	5	3,64,33,865	2,94,49,075
(c) Long Term Provisions	6	88,58,844	77,09,824
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	29,00,47,865	23,83,14,821
(b) Trade Payables	8	43,69,41,150	43,48,43,346
(c) Other Current Liabilities	9	11,90,57,878	8,88,47,897
(d) Short-Term Provisions	10	5,85,59,944	6,05,77,170
<b>Total Equity &amp; Liabilities</b>		<b>1,40,85,95,771</b>	<b>1,18,96,58,730</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Asset	11	15,01,56,545	15,29,55,588
(ii) Intangible Asset	11	1,21,75,089	1,23,68,177
<b>Net Block</b>		<b>16,23,31,634</b>	<b>16,53,23,765</b>
(iii) Capital Work In Progress	11	4,86,860	71,26,364
(b) Non - Current Investments	12	1,000	1,000
(c) Deferred tax assets (net)	13	43,64,105	67,20,577
(d) Long Term Loans & Advances	14	2,35,43,256	2,36,36,506
(e) Other non-current assets	15	10,00,000	-
<b>(2) Current Assets</b>			
(a) Inventories	16	37,32,67,025	38,87,70,066
(b) Trade receivables	17	80,79,33,893	56,90,04,190
(c) Cash and cash equivalents	18	8,72,449	23,90,525
(d) Short-term loans and advances	19	3,35,06,704	2,60,12,737
(e) Other Current Assets	20	12,88,846	6,73,000
<b>Total Assets</b>		<b>1,40,85,95,771</b>	<b>1,18,96,58,730</b>

Schedules referred to above and notes attached there to form an integral part of Balance Sheet in Note no 1  
This is the Balance Sheet referred to in our Report of even date.

**For NSVR & ASSOCIATES LLP.**

Chartered Accountants

Firm Regd No. 008801S/S200060

Firm Reg. No. 008801S/S200060

Chartered Accountants

**VENKATA RATNAM P**

Partner

Membership No. 230675

UDIN : 21230675AAAAGO8396

On behalf of Board of Directors

**For NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**

(Managing Director)

(DIN: 08143781)

**SREEKANTH YENIGALLA**

(Director)

(DIN: 07228577)

**BASANTH KUMAR N**

(Director)

(DIN: 08139510)

**BHARGAVI K**

(Chief Financial Officer)

**NEHA SONI**

(Company Secretary)

Place : Hyderabad

Date : 25/10/2020



**NOVA AGRITECH LIMITED**  
**SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1.4.2019 TO 31.3.2020**

Particulars	Figures as at the end of current reporting year ending 31st March 2020	Figures as at the end of current reporting year ending 31st March 2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	6,06,49,736	7,43,41,201
Adjustments for :		
Depreciation	2,33,56,974	2,33,52,858
Profit on sale of Fixed Assets	(1,09,303)	(1,55,217)
Preliminary Expenses written off	-	-
Interest Expenses	6,35,95,129	3,45,68,047
Provision for gratuity during the year	17,14,565	39,33,599
Provision for CSR during the year	12,95,812	-
<b>Operating Cash Flow before Working Capital Changes</b>	<b>15,05,02,913</b>	<b>13,60,40,489</b>
<b>Adjustments for Changes in Working Capital</b>		
Decrease/(Increase) in Inventories	1,55,03,041	(4,72,20,646)
Decrease/(Increase) in Trade Receivables	(23,89,29,702)	(14,89,14,782)
Decrease/(Increase) in Short Term Loans & Advances	(74,93,967)	(1,57,73,742)
Decrease/(Increase) in Other Current Assets	(6,15,846)	(73,000)
Increase/(Decrease) in Trade Payables	20,97,804	7,66,00,189
Increase/(Decrease) in Other Current Liabilities	1,79,52,079	3,44,98,295
Increase/(Decrease) in Long Term Advances	93,250	(7,400)
<b>Cash Generated from Operations</b>	<b>(6,08,90,428)</b>	<b>3,51,49,404</b>
Less: Taxes Paid	(2,34,58,916)	(12,60,889)
<b>Cash Flow from Operating Activities</b>	<b>(8,43,49,343)</b>	<b>3,38,88,515</b>
Less: Extra ordinary items	-	-
<b>Net Cash Flow from Operating Activities(A)</b>	<b>(8,43,49,343)</b>	<b>3,38,88,515</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,06,14,320)	(3,62,79,555)
Sale of Fixed Assets	3,58,781	4,95,002
Purchase of Investments	-	-
Decrease/(Increase) in Capital Work-in Progress	66,39,504	1,00,11,521
Decrease/(Increase) in Other Long Term Loans & Advances	-	-
Decrease/(Increase) in Other Non Current Assets	(10,00,000)	-
<b>Cash Flow from Investing Activities(B)</b>	<b>(1,46,16,035)</b>	<b>(2,57,73,031)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital	-	-
Repayment of Loans	10,23,24,597	77,76,599
Interest Paid	(6,35,95,129)	(3,45,68,047)
Increase/(Decrease) in other Long term Liabilities	69,84,790	2,08,96,063
Increase/(Decrease) in Short Term Borrowings	5,17,33,044	(20,63,409)
<b>Cash Flow from Financing Activities(C)</b>	<b>9,74,47,302</b>	<b>(79,58,794)</b>
<b>D. NET CHANGES IN CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>(15,18,076)</b>	<b>1,56,689</b>
<b>E. OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>23,90,525</b>	<b>22,33,836</b>
<b>F. CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS (D+E)</b>	<b>8,72,449</b>	<b>23,90,525</b>

**For NSVR & ASSOCIATES LLP.**  
Chartered Accountants  
Firm Regd No. 008801S/200060

  
**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN : 21230675AAAAAG08396

On behalf of Board of Directors  
**For NOVA AGRITECH LIMITED**

  
**KIRAN KUMAR A**  
(Managing Director)  
(DIN: 08143781)

  
**SREEKANTH YENIGALLA**  
(Director)  
(DIN: 07228577)

  
**BASANTH KUMAR N**  
(Director)  
(DIN: 08139510)

  
**BHARGAVI K**  
(Chief Financial Officer)

  
**NEHA SONI**  
(Company Secretary)

Place : Hyderabad  
Date : 25/10/2020

## CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020

## NOTE : 2 SHARE CAPITAL

Sr. No	Particulars	31/03/2020		31/03/2019	
		Number	Amount	Number	Amount
1	<b>AUTHORIZED CAPITAL</b> 2,00,00,000 Equity Shares of Rs. 10/- each.	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
		2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
2	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b> 1,25,40,548 Equity Shares of Rs. 10/- each.	1,25,40,548	12,54,05,480	1,25,40,548	12,54,05,480
	<b>Total in</b>	<b>1,25,40,548</b>	<b>12,54,05,480</b>	<b>1,25,40,548</b>	<b>12,54,05,480</b>
3	<b>Reconciliation of Number of Shares</b>	31/03/2020		31/03/2019	
	<b>Equity Shares:</b>	<b>No of shares</b>	<b>Amount</b>	<b>No of shares</b>	<b>Amount</b>
	Balance as at the beginning of the year	23,56,676	2,35,66,760	23,56,676	2,35,66,760
	Add: Shares issued during the Year	1,01,83,872	10,18,38,720	1,01,83,872	10,18,38,720
	Balance as at the end of the year	<b>1,25,40,548</b>	<b>12,54,05,480</b>	<b>1,25,40,548</b>	<b>12,54,05,480</b>
4	<b>Details of Shareholders Holding more than 5% of shares in the company</b>	31/03/2020		31/03/2019	
		<b>No of shares</b>	<b>% of holding in the class</b>	<b>No of shares</b>	<b>% of holding in the class</b>
	<b>Equity Shares:</b>				
	<b>Name of the Share Holder</b>				
	Yeluri Sambasiva Rao ( HUF)	5,04,000	4.02%	5,04,000	4.02%
	Yeluri Malathi	16,84,324	13.43%	16,84,324	13.43%
	Y Sambasiva Rao	57,22,872	45.63%	57,22,872	45.63%
	Suraksha Agri Retail ( India ) Private Limited	23,87,972	19.04%	23,87,972	19.04%
	K Sambasiva Rao	7,58,620	6.05%	7,58,620	6.05%
	N Sambasiva Rao	7,93,104	6.32%	7,93,104	6.32%
	Y Sambasiva Rao	6,89,656	5.50%	6,89,656	5.50%
	<b>Total</b>	<b>1,25,40,548</b>	<b>100.00%</b>	<b>1,25,40,548</b>	<b>100.00%</b>

## a. Rights attached to Equity Shares:

The company has only one class of Equity shares having a par value of Rs. 10/- each. The shareholders have equal rights per share in terms of dividend, voting & Assets of the company.





## NOVA AGRITECH LIMITED

## CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020

## NOTE : 3 RESERVE &amp; SURPLUS

Sr. No	Particulars	Current Year	Previous Year
1	<b>Securities Premium</b>		
	Opening Balance		
	Add: Shares issued during the year		
	Less: Bonus shares issued out of Securities Premium		
	<b>Closing Balance</b>		
2	<b>Surplus (Profit &amp; Loss Account)</b>	<b>18,23,19,457</b>	<b>14,36,06,526</b>
	Balance brought forward from previous year	14,36,06,526	9,47,39,237
	Add: Profit for the period	3,87,12,931	4,88,67,289
	Less: Bonus shares issued during the year		
	<b>Total in `</b>	<b>18,23,19,457</b>	<b>14,36,06,526</b>

## NOTE : 4 LONG TERM BORROWING

Sr. No	Particulars	Current Year	Previous Year
1	<b>Secured Loans</b>		
	Term Loan From Corporation Bank	8,63,36,808	1,18,67,982
	Vehicle Loan From Corporation Bank On Hypothecation of Vehicles	89,26,089	96,55,448
	<b>Long Term portion of Borrowings</b>	<b>9,52,62,897</b>	<b>2,15,23,429</b>
2	<b>Unsecured Loans</b>		
	From Directors and Related Parties	5,40,28,719	3,93,81,161
	Term Loan From India Infoline Finance Limited	16,79,671	
	<b>Total in `</b>	<b>15,09,71,287</b>	<b>6,09,04,590</b>

## Nova Agritech Limited

Sr. No	Name of the Bank	Sanctioned Amount	Rate of Interest	Repayment Schedule	Security	Amount O/s
1	Corporation Bank	Rs.289 lakhs	13.45% p.a	Repayable in 66 monthly equal installments of Rs. 437000/- each last installment being Rs.495000/-	Secured by hypothecation of Factory building being constructed at a cost of Rs. 385.82 lakhs & Land amounting to Rs. 69.96 lakhs	9,01,488/-
2	Corporation Bank	Rs.80 lakhs	11.05% p.a	Repayable in 84 monthly equal installments of Rs.132400/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 99.39 lakhs	52,78,553/-
3	ICICI Bank	Rs.20.87 lakhs	8.80% p.a	Repayable in 60 monthly equal installments of Rs.43163/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 20.89 lakhs	15,28,356/-
4	ICICI Bank	Rs.12.19 lakhs	8.80% p.a	Repayable in 60 monthly equal installments of Rs.25637/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 12.19 lakhs	8,97,556/-
5	Indus Bank	Rs.15.60 lakhs	9.05% p.a	Repayable in 60 monthly equal installments of Rs.32853/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 21.90 lakhs	11,03,244/-
6	Indus Bank	Rs.7.70 lakhs	9.05% p.a	Repayable in 60 monthly equal installments of Rs.16294/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 9.05 lakhs	5,45,928/-
7	Corporation Bank	Rs.80 lakhs	11.05% p.a	Repayable in 84 monthly equal installments of Rs.132400/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 99.39 lakhs	62,71,558/-



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## NOVA AGRITECH LIMITED

## CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020

## Nova Agri Sciences Private Limited

S.No	Name of the Bank	Sanctioned Amount	Rate of Interest	Repayment Schedule	Security	Amount O/s
1	Corporation Bank	Rs.250 lakhs	13.10% p.a	Repayable in 84 monthly equal installments of Rs. 306845/-	Exclusive first charge on the entire fixed assets of the company by way of Hypothecation of moveable assets/ machineries proposed to be purchased	71,34,385 /-

## Details of Collateral Security

\*\* Personal Guarantee of Y.Sambasiva Rao, S Malathi, Suraksha Agrietails Pvt Ltd, Mohammad Ali, J Ashok Kumar, Santosh Chandra rao, Nova Agri sciences Pvt Ltd.

\*\* Collateral security of Properties held by the company and Gaurantors.

## NOTE : 5 OTHER LONG TERM LIABILITIES

Sr. No	Particulars	Current Year	Previous Year
1	Security Deposits from Dealers	1,95,90,521	1,47,37,075
2	Margadarshi Chit Fund Pvt Ltd	1,40,09,744	1,27,80,000
3	Srivatshava Chits (SVM6SS-6)	28,33,600	19,32,000
4	Loans From Others	-	-
	<b>Total in</b>	<b>3,64,33,865</b>	<b>2,94,49,075</b>

## NOTE : 6 LONG TERM PROVISIONS

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Gratuity	88,58,844	77,09,824
	<b>Total in</b>	<b>88,58,844</b>	<b>77,09,824</b>

## NOTE : 7 SHORT TERM BORROWINGS

Sr. No	Particulars	Current Year	Previous Year
1	<b>Secured Loans</b>		
	- From Corporation Bank CC	27,98,25,255	23,83,14,821
	- Credit Cards	1,02,22,610	-
2	<b>Unsecured Loans</b>		
	From Financial Institutions	-	-
	<b>Total in</b>	<b>29,00,47,865</b>	<b>23,83,14,821</b>

## Nova Agritech Limited

S.No	Name of the Bank	Amount sanctioned	Date of Sanction	Security	DP limit	Rate of Interest	Amount O/s
1	Corporation Bank	Rs. 2400 lakhs	17th June 2019	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	Rs. 2400 lakhs	11.65% p.a	Rs.2399.09 Lakhs

## Nova Agri Sciences Private Limited

S.No	Name of the Bank	Amount sanctioned	Date of Sanction	Security	DP limit	Rate of Interest	Amount O/s
1	Corporation Bank	Rs. 400 lakhs	24th Sep 2019	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	Rs. 400 lakhs	12.40% p.a	Rs.399.17 Lakhs

## Details of Collateral Security

\*\* Personal Guarantee of Y.Sambasiva Rao, S Malathi, Suraksha Agrietails Pvt Ltd, Mohammad Ali, J Ashok Kumar, Santosh Chandra rao, Nova Agri sciences Pvt Ltd.

\*\* Collateral security of Properties held by the company and Gaurantors.



P. V. S. & Co.

J. K. Srinivas

S. K. Srinivas

S. K. Srinivas

**NOVA AGRITECH LIMITED**  
**CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020**

**NOTE : 8 TRADE PAYABLES**

Sr. No	Particulars	Current Year	Previous Year
1	Supplier for Goods	43,69,41,150	43,48,43,346
	<b>Total in `</b>	<b>43,69,41,150</b>	<b>43,48,43,346</b>

**NOTE : 9 OTHER CURRENT LIABILITIES**

Sr. No	Particulars	Current Year	Previous Year
1	Statutory Dues Payables	4,07,97,057	4,43,98,181
2	Expenses Payable	2,23,85,096	1,97,75,238
3	Payable to Employees	2,59,23,640	1,63,01,333
4	Current Maturities of Long Term Borrowings	1,96,61,286	74,03,388
5	Other Payables	1,02,90,798	9,69,769
	<b>Total in `</b>	<b>11,90,57,878</b>	<b>8,88,47,899</b>

**NOTE : 10 SHORT TERM PROVISIONS**

Sr. No	Particulars	Current Year	Previous Year
1	Provision For Taxation ( Net of TDS & Advance Tax)	5,55,49,567	5,94,28,151
2	Provision for Gratuity	17,14,565	11,49,020
3	Provision for CSR	12,95,812	
	<b>Total in `</b>	<b>5,85,59,944</b>	<b>6,05,77,171</b>



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## NOVA AGRITECH LIMITED

## CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020

## NOTE : 12 NON - CURRENT INVESTMENTS

Sr. No	Particulars	Current Year	Previous Year
1	Investment in Equity Instruments : Agri Genome(GAGE)	1,000	1,000
	<b>Total in</b>	<b>1,000</b>	<b>1,000</b>

## NOTE : 13 DEFERRED TAX ASSET (NET)

Sr. No	Particulars	Current Year	Previous Year
1	Deferred Tax Asset		
	Opening Balance	67,20,577	48,71,395
	Add: Addition during the year	-23,56,472	18,49,182
	<b>Closing Balance</b>	<b>43,64,105</b>	<b>67,20,577</b>
	<b>Total in</b>	<b>43,64,105</b>	<b>67,20,577</b>

## NOTE : 14 LONG TERM LOANS &amp; ADVANCES

Sr. No	Particulars	Current Year	Previous Year
1	Security Deposits	27,93,110	23,86,360
2	Inter Corporate Deposits & Other Advances	2,07,50,146	2,12,50,146
3	MAT credit entitlement		
	<b>Total in</b>	<b>2,35,43,256</b>	<b>2,36,36,506</b>

## NOTE : 15 OTHER NON CURRENT ASSETS

Sr. No	Particulars	Current Year	Previous Year
1	Nova Agri Seeds Pvt Ltd		
2	Swamy Pentyala	10,00,000	
	<b>Total in</b>	<b>10,00,000</b>	

## NOTE : 16 INVENTORIES

Sr. No	Particulars	Current Year	Previous Year
1	Closing Stock :		
	Raw material	11,59,62,483	16,78,65,619
	Work in Progress	2,06,31,191	4,02,94,539
	Finished Goods	13,76,49,163	2,70,16,781
	Packing Material	9,90,24,187	15,35,93,127
	<b>Total in</b>	<b>37,32,67,025</b>	<b>38,87,70,066</b>



P. C. & Associates LLP

1/4/2020

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**NOVA AGRITECH LIMITED**

**CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2020**

**NOTE : 17 TRADE RECEIVABLES**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Debtors :</b>		
	O/s for a period exceeding six months		
	Others	80,79,33,893	56,90,04,190
	( unSecured, Considered Good)		
	<b>Total in</b>	<b>80,79,33,893</b>	<b>56,90,04,190</b>

**NOTE : 18 CASH & CASH EQUIVALENTS**

Sr. No	Particulars	Current Year	Previous Year
a	<b>Cash-in-Hand</b>		
	Cash Balance	2,22,475	3,26,589
	<b>Sub Total (A)</b>	<b>2,22,475</b>	<b>3,26,589</b>
b	<b>Bank Balance</b>		
	Balances with Current Accounts	6,49,973	20,63,936
	<b>Sub Total (B)</b>	<b>6,49,973</b>	<b>20,63,936</b>
	<b>Total [ A + B ]</b>	<b>8,72,449</b>	<b>23,90,525</b>

**NOTE : 19 SHORT TERMS LOANS AND ADVANCES**

Sr. No	Particulars	Current Year	Previous Year
1	Balance with revenue Authorities	2,49,03,627	2,02,44,129
2	Security & Other Deposits	2,45,500	1,92,000
3	Advances for capital Goods	83,57,577	30,82,608
4	Other Advances		24,94,000
	<b>Total in</b>	<b>3,35,06,704</b>	<b>2,60,12,737</b>

**NOTE : 20 OTHER CURRENT ASSETS**

Sr. No	Particulars	Current Year	Previous Year
1	Advances to Employees	10,00,000	6,73,000
2	Interest Receivable	2,88,846	
	<b>Total in</b>	<b>12,88,846</b>	<b>6,73,000</b>



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## NOVA AGRITECH LIMITED

Consolidated Notes Forming Integral Part of the Profit &amp; Loss Statement as at 31st MARCH, 2020

**NOTE : 21 REVENUE FROM OPERATION**

Sr. No	Particulars	Current Year	Previous Year
1	Sales (Net)	1,38,20,12,934	1,30,54,75,679
2	<b>Other Operating Income</b>		
	Interest Income	7,32,478	19,68,907
	Rental Income	3,00,000	3,00,000
	Packing Income	-	-
	Sale of Scrap	98,840	11,400
	<b>Total in</b>	<b>1,38,31,44,252</b>	<b>1,30,77,55,986</b>

**NOTE : 22 OTHER INCOME**

Sr. No	Particulars	Current Year	Previous Year
1	Misc. Income	1,37,236	81,658
2	Other Income	-	1,55,215
	<b>Total in</b>	<b>1,37,236</b>	<b>2,36,873</b>

**NOTE : 23 PURCHASES**

Sr. No	Particulars	Current Year	Previous Year
a)	<b><u>PURCHASES OF RAW MATERIALS AND STORES</u></b>		
1	Purchases (Net)	69,33,59,290	72,81,15,553
	<b>Sub-total (a)</b>	<b>69,33,59,290</b>	<b>72,81,15,552</b>
	<b>Total in</b>	<b>69,33,59,290</b>	<b>72,81,15,552</b>

**NOTE : 24 CHANGE IN INVENTORIES**

Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock of Inventory	38,87,70,066	34,15,49,421
2	Closing Stock of Inventory	37,32,67,025	38,87,70,066
	<b>Total in</b>	<b>1,55,03,041</b>	<b>-4,72,20,645</b>

**NOTE : 25 EMPLOYEE BENEFIT EXPENSES**

Sr. No	Particulars	Current Year	Previous Year
1	Salaries, Bonus and Director Remuneration	19,59,69,381	20,98,94,020
2	Contribution to PF, ESI & Gratuity	94,65,188	1,03,89,281
3	Staff welfare Expenses	46,49,546	26,09,818
	<b>Total in</b>	<b>21,00,84,115</b>	<b>22,28,93,119</b>



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## NOVA AGRITECH LIMITED

Consolidated Notes Forming Integral Part of the Profit &amp; Loss Statement as at 31st MARCH, 2020

## NOTE : 26 FINANCE COST

Sr. No	Particulars	Current Year	Previous Year
1	Interest On CC & Terms Loan	3,24,71,965	3,03,46,649
2	Interest On Vehicle Loan	2,53,68,032	10,74,788
3	Interest Payment to suppliers	14,57,408	-
4	Security Deposit Interest	2,000	6,001
5	Other Borrowing Costs	42,95,724	31,40,610
	<b>Total in</b>	<b>6,35,95,129</b>	<b>3,45,68,047</b>

## NOTE : 27 DEPRECIATION &amp; AMORTIZATION

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation on Fixed Assets	2,33,56,974	2,33,52,858
	<b>Total in</b>	<b>2,33,56,974</b>	<b>2,33,52,858</b>

## NOTE : 28 OTHER EXPENSES

Sr. No	Particulars	Current Year	Previous Year
1	Power & Fuel	49,69,388	31,71,313
2	Rental Expense	19,17,397	16,67,979
3	Repairs & Maintenance( Others)	92,80,625	37,32,228
4	Research & Development Expenses	9,21,939	1,08,46,22
5	Travelling Expenses	5,31,83,531	5,29,28,88
6	Transport Charges	4,54,67,933	3,68,95,38
7	Office Maintenance	60,54,613	57,80,36
8	Marketing Expenses	3,14,71,436	5,06,45,858
9	Subscriptions & Renewals	20,42,040	13,95,346
10	Bank Charges	6,60,546	5,76,110
11	Discount Allowed	13,10,72,645	8,86,70,584
12	Training Expenses	7,66,036	4,93,036
13	Insurance Expenses	17,83,888	8,82,567
14	Rates & Taxes	29,41,996	6,43,651
15	Consultancy Charges	6,14,053	5,67,950
16	Audit Fees	10,07,218	7,41,078
17	Loading & Unloading Expenses	65,55,854	5,91,01
18	Pooja Expenses	6,05,000	6,15,00
19	Postage & Courier Charges	32,69,470	18,57,560
20	Printing & Stationary Expenses	64,500	47,980
21	Sales promotion Expenses	4,92,952	6,21,558
22	Packing Expenses	34,62,029	35,70,410
23	Telephone Expenses	37,70,663	24,99,460
24	Other Expenses	30,61,639	25,01,193
25	Provision for CSR	12,95,812	-
	<b>Total in</b>	<b>31,67,33,203</b>	<b>27,19,42,727</b>



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## NOVA AGRITECH LIMITED

**In Progress**

Firm Reg. No:  
086801/S/S200060

ASSOCIATES LLP \* Singapore  
Chartered Accountants

**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**Note -1 –Significant Accounting Policies:**

**Disclosure of Accounting Policies:**

**A. Basis of Preparation of Consolidated Financial Statements:**

The Consolidated Financial Statements of the company and its subsidiaries have been prepared under the generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention and on an accrual basis.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

**B. Use of Estimates :**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**C. Valuation of Inventories :**

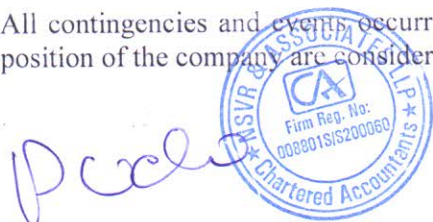
Inventories are valued in accordance with the requirements of accounting standard (AS-2) on Valuation of Inventories. Inventory consists of Bio Stimulants, Micronutrients and Organic Inputs& packing materials which are valued at lower of cost or net realizable value after providing for obsolescence and other losses, where ever considered necessary. Cost comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition of inventory.

**D. Cash Flow Statement :**

Cash Flow statement is reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flow from operating, investing and financing activities of company is segregated based on the available information.

**E. Events & Contingencies occurring after the date of Balance Sheet :**

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

The block contains a handwritten signature in blue ink and a circular blue stamp. The stamp is from the Institute of Cost Accountants of India (ICAI) and contains the text: "Firm Reg. No. 0088018/S/200060" and "Chartered Accountants".



**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**F. Net profit or loss for the period, prior period items and changes in Accounting Policies:**

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

**G. Revenue Recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of fertilizers & pesticides is recognized when significant risks & rewards in relation to the ownership of goods has been transferred to the buyer.

Revenue presented is net of Service Tax and GST, to the extent applicable.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable as on that date.

**H. Property, Plant & Equipment:**

Property, Plant & Equipment is stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, if any.

The cost of Property, Plant & Equipment comprises:

1. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
2. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

**Method of Depreciation:**

Depreciation on Property, plant and equipment is provided based on useful life prescribed under the Schedule II of the Companies act, 2013. Depreciation is provided on Written down Value method during the Current year.

**I. Borrowing Costs :**

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The borrowing costs other than those capitalized as above have been debited to the Statement of Profit and Loss of the current year.



**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**J. Investments :**

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist. Any reduction in the carrying amount and any reversal in such reductions are charged or credited to the statement of profit and loss.

**K. Employee Benefit Expenses :**

All short-term employee benefits such as salary, wages etc. is accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. These are considered as the defined contribution schemes and are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is recognized on the basis of actuarial valuation carried out using projected unit credit method. The liability for Gratuity is accrued and provided for as per the requirements of Accounting Standard - 15 on "Employee Benefits".

**L. Segment Reporting :**

The company has only one reportable segment i.e., Sale of Agri Input products and hence this standard is not applicable.

**M. Earnings per share :**

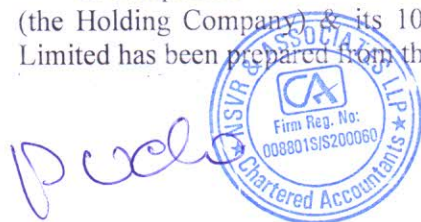
Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

**N. Note on Consolidation :**

The company Nova Agritech Limited has acquired the shares of Nova Agri Sciences Private Limited & Nova Agriseeds Private Limited with effect from 6<sup>th</sup> April 2017 by way of purchase of shares from existing Shareholders.

In compliance with Indian GAAP requirements consolidated Financial Statements of Nova Agritech Limited (the Holding Company) & its 100% subsidiaries Nova Agrisciences Private Limited, Nova Agri seeds Private Limited has been prepared from the date of acquisition i.e., 6<sup>th</sup> April 2017.





**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**a. Principles of Consolidation:**

The consolidated Financial statements have been prepared on the following basis:

1. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial statements" specified under Section 133 of Companies Act, 2013.
2. In case of associates where the Company directly or indirectly through its subsidiaries holds 20% or more of equity, Investments in associates are accounted under the equity method as per Accounting Standard(AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of Companies Act, 2013.
3. The financial statements of the subsidiaries, and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2020.
4. The excess of cost to the Group, of its investment in the subsidiaries over the Group's share of equity is recognized in the consolidated financial statements as Goodwill and tested for impairment annually. The excess of the Group's share of equity of the subsidiaries on the acquisition date, over its cost of investment is treated as Capital Reserve. The Goodwill / Capital reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.
5. Intra-group balances and intra-group transactions and resulting unrealized profits / loss has been eliminated.
6. The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

**b. The following Subsidiary Companies are consolidated in the Consolidated Financial Statements:**

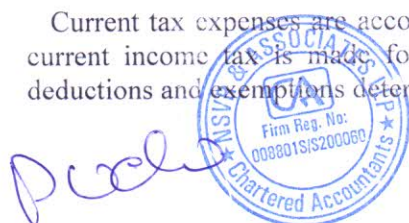
Name of the Subsidiary	Country of Incorporation	Proportion of Shares held
NovaAgrisciences Private Limited	India	100%
Nova Agriseeds India Private Limited	India	100%

**c. Taxes on Income :**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss.

**Current Tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.



**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**Deferred tax:**

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax asset/ liability can be realized against future taxable profits.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**d. Leases:**

At the inception of the lease, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

**Finance leases**

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**Operating leases:**

Leases other than Finance Lease are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

**e. Impairment of Assets :**

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.





**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**f. Intangible Assets and Amortization**

Intangible assets are recorded at the consideration paid for acquisition including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use.

Intangible assets are amortized on a Written down value basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management's estimates of the useful lives for various categories of intangible assets are given below:

Particulars	Years
Trade Marks	10

The amortization period and the amortisation method for intangible assets are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the disposal of intangible assets are recognized in the statement of profit and loss.

**g. Provisions, Contingent Liabilities & Contingent Assets :**

A provision is recognized if it is as a result of a past event, the company has a present legal obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**NOTES TO ACCOUNTS:**

**29. Contingent Liabilities & other Commitments:**

Particulars	As at 31 <sup>st</sup> Mar 2020	As at 31 <sup>st</sup> Mar 2019
Claims against the Company not acknowledged as debts		
Goods & Service Tax	-	-
Income Tax	-	-
Corporate Guarantees	4,00,00,000	4,00,00,000
Claims made by the Company through Legal suits		
-On ApoorvaDiary Farm India Private Limited.	1,49,63,089	1,49,63,089
<b>Total</b>	<b>5,49,63,089</b>	<b>5,49,63,089</b>

**Note:** The company has filed a suit against the ApoorvaDiary Farm India Private Limited in respect of recovery of Investment made in ApoorvaDiary Farm Private Limited. The case has been filed for an amount of Rs. 1,49,63,089/- plus interest on the said amount.

**30. Related Party Transactions:**

**Statement of related parties:**

**I. Directors & KMP :**

Name of the Person	Designation
SrinivasaRaoVesangi	Director
Ramesh BabuNemani	Director
SreekanthYenigalla	Director
NadellaBasanth Kumar	Director
Kiran Kumar Atukuri	Director
Ashok Kumar J	Manager F &A
Kiran Kumar R	Manager HR
Shubham Sunil Bagadia	Company Secretary
SambasivaRaoYeluri	Director of Subsidiary Company
Ajay BabuPullela	Director of Subsidiary Company





**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**II. Relatives of Directors & KMP: Nil**

**III. Enterprise over which Directors or relatives of Directors are having Significant Influence :**

<b>Name of the Enterprise</b>
SurakshaAgri Retails India Private Ltd
Nova FerticarePvt Ltd
Nova Dairytech India Private Limited
Nova Health sciences Private Limited
Novatek Solutions Private Limited

**Transaction with related parties:**

**a. Director or KMP:**

<b>Particulars</b>	<b>For the FY ending 31<sup>st</sup> March 2020</b>	<b>For the FY ending 31<sup>st</sup> March 2019</b>
1. Salary & Remuneration	2,78,33,084	2,95,62,055
<b>2. Advances given by the company</b>		
i. Opening Balance	-	-
ii. Advances given during the year	-	-
iii. Receipt of Loan given during the year	-	-
iv. Closing Balance	-	-
<b>3. Advances taken by the company</b>		
i. Opening Balance	3,93,81,161	-
ii. Loans taken by the company	4,56,16,376	4,09,39,661
iii. Repayment of Loans	3,04,68,818	15,58,500
iv. Closing Balance	5,45,28,719	3,93,81,161

**b. Relatives of Director or KMP :**

Nil.



**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**31. Earnings per share:**

Particulars	For the Financial Year ending 31 <sup>st</sup> March 2019	For the Financial Year ending 31 <sup>st</sup> March 2018
Net Profit as per Profit & Loss Account available for Equity Shareholders	3,87,12,931	4,88,67,289
Weighted Average Number of Equity Shares for EPS Computation		
A. For Basic Earnings Per Share of ` 10 each	1,25,40,548	1,25,40,548
B. For Diluted Earnings Per Share of ` 10 each:	1,25,40,548	1,25,40,548
<b>Earnings Per Share</b>		
-Basic	3.09	3.90
-Diluted	3.09	3.90

**32. Deferred Tax Asset:**

Particulars	For 2019-2020	For 2018-19
<b>Deferred tax (liabilities)/assets arising on account of timing difference in:</b>		
Opening Balance	67,20,577	48,71,395
Add: Additions during the year on account of difference	(23,56,472)	18,49,182
<b>Closing Balance (a)</b>	<b>43,64,105</b>	<b>67,20,577</b>

**33. Auditor's Remuneration:**

Particulars	For 2019-2020	For 2018-19
Statutory Audit Fees	4,80,000	4,90,575
For Other Matters	1,25,000	1,24,425
<b>Total</b>	<b>6,05,000</b>	<b>6,15,000</b>

**34. Earnings & Expenditure in Foreign Currency:**

Particulars	For 2019-2020	For 2018-19
Expenditure in Foreign Exchange	4,57,966	-






**NOVA AGRITECH LIMITED**  
**Notes forming Part of Consolidated Financial Statements**

**35. Obligations towards Lease Payments :**

The company has not entered into any Operating Lease arrangements during the year.

For NSVR & ASSOCIATES LLP.,  
Chartered Accountants  
Firm Regd. No. 008801S/8200060

  
**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN : 21230675AAAAGO8396



On& behalf of Board  
For NOVA AGRITECH LIMITED

  
**KIRAN KUMAR A**  
(Director)  
(DIN: 08143781)

  
**SREEKANTH Y**  
(Director)  
(DIN: 07228577)

Place: Hyderabad  
Date :25/10/2020

  
**BASANTH KUMAR N**  
(Director)  
(DIN: 08139510)