

**29<sup>th</sup>**  

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**Annual Report**  

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**2018-2019**



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**NATURITE AGRO PRODUCTS LIMITED**  
(CIN : L01119TG1990PLC011554)

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**29th ANNUAL GENERAL MEETING****FRIDAY 27th, September, 2019****at 11.00 A.M.****Sy. No. 711-713, Lalgadi Malakpet Village,  
Shamirpet Mandal, R. R. District – 500078,  
Telangana.**

<b>Index</b>	<b>Page</b>
1. Corporate Information	04
2. Notice	05
3. Directors Reports	16
4. Auditors Reports	37
5. Balance Sheets	46
6. Profit & Loss Account	47
7. Cash Flow Statement	48
8. Notes	49
9. Instructions for E-voting Process	08
10. Attendance Slip	65
11. Proxy Slip	66



## COMPANY INFORMATION

### BOARD OF DIRECTORS

G VALLABH REDDY	: MANAGING DIRECTOR
BHAGYA SRILATHA TUMMAGUNTA	: WHOLE TIME DIRECTOR & CFO
K PRABHAKAR REDDY	: DIRECTOR
G VANDANA REDDY	: DIRECTOR
G USHA REDDY	: ALTERNATE DIRECTOR
B MANOHAR GANGAIAH	: INDEPENDENT DIRECTOR
MAHAREDDY REVANTH REDDY	: INDEPENDENT DIRECTOR
ANIKET VIJAY KALE	: INDEPENDENT DIRECTOR

DIVYA AGRAWAL : COMPANY SECRETARY  
CUM COMPLIANCE OFFICER

#### STATUTORY AUDITORS:

M/S. M N RAO & ASSOCIATES,  
CHARTERED ACCOUNTANTS,  
HYDERABAD

#### INTERNAL AUDITORS

M/s. NSVR & Co.,  
Chartered Accountants,  
Hyderabad

#### REGISTRARS & SHARE TRANSFER

##### AGENTS:

M/s. Venture capital and corporate  
investments private limited  
Bharat Nagar, Hyderabad-500018

#### LISTING AT:

BS E Limited

#### REGISTERED OFFICE:

Sy. No. 711-713,  
Lalgadi Malakpet Village,  
Shamirpet Mandal,  
R. R. District – 500078,  
TEL / FAX NO: 040 – 27564884,  
Email: naturiteinvestors@gmail.com,  
www.naturiteagroproducts.com  
**CIN: L01119TG1990PLC011554**

#### ADMINISTRATION OFFICE:

3-4-508/1,  
Street No. 10, Barkathpura,  
Hyderabad – 500027

#### FACTORY:

Lalgadimalakpet Village,  
Shamirpet Mandal,  
Hyderabad

### BOARD COMMITTEES

AUDIT COMMITTEE	REMUNERATION COMMITTEE	STAKEHOLDER RELATIONSHIP COMMITTEE
Aniket Vijay Kale - Chairman M Revanth Reddy- Member B Manohar Gangaiah - Member	Aniket Vijay Kale - Chairman M Revanth Reddy- Member B Manohar Gangaiah - Member	Aniket Vijay Kale - Chairman M Revanth Reddy- Member B Manohar Gangaiah - Member



## NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of the Company will be held on **Friday, 27th September, 2019** At 11.00 AM at Registered Office of the Company at Sy. No. 711-713, Lalgadi Malakpet Village, Shamirpet Mandal, R. R. District, Telangana - 500078 to transact the following items of business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint a director in place of Vandana Reddy Gaddam who retires by rotation and being eligible offers herself for re-appointment as a director in the company.

### **SPECIAL BUSINESS:**

3. **Appointment of Mr. Manohar Gangaiah Bacha as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Manohar Gangaiah Bacha, who was appointed as an Independent Director of the Company for a term of five years at the 24th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years upto the conclusion of the 34th Annual General Meeting of the members of the company.”

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Manohar Gangaiah Bacha (DIN: 00456320) after he attains the age of 75 years, as a Non-Executive, Independent Director of the Company.



**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.

By Order of the Board of Directors  
**FOR NATURITE AGRO PRODUCTS LIMITED**

Sd/-  
**G VALLABH REDDY**  
Managing Director  
DIN: 01006373

Place: Hyderabad  
Date: 13.08.2019

**Notes:**

1. An Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of him/her and such proxy need not be a member of the Company. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Proxies in order to be effective must be delivered at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. The register of Members and share Transfer Books of the Company in respect of Equity shares will remain closed from Saturday 21st September 2019 to Friday, 27th September, 2019. (both days inclusive) .
7. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA viz. M/s. Venture capital and corporate investments private limited Bharat Nagar, Hyderabad-500018, by enclosing a photocopy of blank cancelled cheque of your bank account.
8. M/s. Venture capital and corporate investments private limited Bharat Nagar, Hyderabad-500018, Phones: 040-23818475 Email: info@vccilindia.com is the Registrar & Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
9. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.



10. Members holding shares in physical form are informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment / misuse of dividend warrants by others.
11. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
12. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.
13. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting. Members are requested to come to the venue of the meeting well in advance for registration. No registration will be entertained after fifteen minutes from the scheduled time of the commencement of the meeting.
14. The annual report for the financial year 2018-19 is being sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. [www.naturiteagroproducts.com](http://www.naturiteagroproducts.com) The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2018-19, free of cost, upon sending a request to the Company Secretary at 3-4-508/1, Street No. 10, Barkathpura Hyderabad – 500027. Telangana.
15. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company i.e., Venture capital and corporate investments private limited.
16. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
17. Section 108 of the Companies Act, 2013, read with rules made thereunder and Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015, requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings. Accordingly, the Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically.





18. In case a Member desires to exercise his/her/its vote by using e-voting facility then he/she/it has to carefully follow the instructions as given for E-Voting. He/she/it can use the facility and log in any number of times till he/she/it has voted on the Resolution or till the end of the voting period whichever is earlier. The detailed instructions for E-Voting are given as part of this Notice.
19. Since E-Voting facility is provided to the Members pursuant to Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015 and pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, as amended, the chairman shall call for voting by poll at the meeting and upon such call being made, the voting by show of hands will not be allowed at the meeting.
20. The results of the e-voting and result of the physical voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the scrutinizer's report shall be placed on the website of the Company.
21. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the Company as on Friday, 20th day of September 2019 being the cut-off date.
22. The members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 20th day of September 2019, being the cutoff date, may cast their vote (for or against) electronically.
23. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote electronically through e-voting shall be able to exercise their voting right at the Meeting.
24. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
25. Mr. Jineshwar Kumar sankhala, Practising Company Secretary has been appointed by the Board as Scrutinizer for the purpose of ascertaining the requisite majority for all the businesses in a fair and transparent manner. The results declared along with the scrutinizer's report shall be placed on the website of the Company.
26. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, brief profile of the Directors proposed to be appointed, re-appointed, is annexed to this notice.
27. The Proxy Form and the Attendance slip are enclosed with this notice.
28. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / STA.



## E-VOTING

### 1. Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on Tuesday 24th September, 2019 at 09.00 Hrs and ends on , Thursday 26th September, 2019 at 17.00 Hrs. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "NATURITE AGRO PRODUCTS LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
2. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical



mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.

The Company has appointed Mr. Jineshwar Kumar Sankhala, Practicing Company secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting

By Order of the Board of Directors  
**FOR NATURITE AGRO PRODUCTS LIMITED**

Sd/-  
**G VALLABH REDDY**  
Managing Director  
DIN: 01006373

Place: Hyderabad  
Date: 13.08.2019

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO. 3:**

*Mr. Manohar Bacha Gangaiah (DIN: 00456320)* was appointed as an Non-Executive Independent Director of the Company by the members at the 24th AGM of the Company held on 30th September, 2014 for a period of five consecutive years.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152, 160 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Manohar Bacha Gangaiah being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from conclusion of 29th AGM till the conclusion of 34th AGM.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Manohar Bacha Gangaiah fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manohar Bacha Gangaiah as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Manohar Bacha Gangaiah as an Independent Director for another term of five consecutive years with effect from conclusion of 29th AGM till the conclusion of 34th AGM, for the approval by the shareholders of the Company.



Except Mr. Manohar Bacha Gangaiah being an appointee and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM Mr. Manohar Bacha Gangaiah is not related to any Director of the Company.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that during the course of term of appointment of Mr. Manohar Bacha Gangaiah will be attaining the age of 75 years, it is necessary to approve continuation of his directorship on the Board of Directors of the Company by way of a special resolution.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Manohar Bacha Gangaiah as Non-Executive Independent Director of the Company as set out in Item No. 3 for approval of the Members by way of a Special Resolution.

Profiles and justification for continuation of the directorship of Mr. Manohar Bacha Gangaiah is stated below:

### **1. Mr. Manohar Gangaiah Bacha**

Mr. Manohar Gangaiah Bacha, born on July 7, 1940 is a Non-Executive Independent Director of the Company. He holds degree of B. Tech with more than 5 decades of experience & specialist in Finance and related matters.

Mr. Manohar Gangaiah Bacha has been an active member of the Board and the Board Committees of which he is a member. He brings independent judgment on the Board of the Company and his continued association will be valuable and positive. With his expertise, skills and knowledge, particularly in the field of Finance he articulates and provides his valuable guidance and inputs in all matters pertaining to the Finance matter. Mr. Manohar Gangaiah Bacha is physically fit and current with finance and business matters.



*Information in respect of directors seeking appointment/re-appointment*

Name of the Directors	<b>Vandana Reddy Gaddam</b>	<b>Manohar Gangaiah Bacha</b>
Date of first appointment	04/05/2005	01/10/2013
Date of birth/age	20/06/1975	07/07/1940
Expertise in specific functional areas	Experience in IT sector	Finance
Educational qualification	B.Tech, MS, MBA	B.Tech
<b>Chairman/member of the committees of board of Directors of the company</b>	Nil	Nil
<b>List of Directorships (excluding private limited), Committee Chairmanship, Membership held in other companies as on date</b>	Nil	Corvine Chemicals And Pharmaceuticals Limited



## DIRECTOR'S REPORT

To  
The Members,

Your Directors have pleasure in presenting herewith the 29th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2019

### 1. FINANCIAL SUMMARY:

Your Company's performance during the year ended 31st March, 2019, as compared to the previous financial year, is summarized as below:

### 2. FINANCIAL RESULT

(Rs.in Rupees)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
Revenue from operations	46,126,096	25,454,960
Other Income	4,26,354	948,761
TOTAL Income	46,552,450	26,403,721
Expenditure	46,347,490	24,673,248
Profit before Tax	2,04,960	1,730,473
Tax	-1,69,139	-30,217
Net Profit	3,74,100	1,760,690

### 3. TRANSFER TO RESERVES:

The Company did not transfer any amount to the General Reserve for the Financial Year ended March 31st, 2019.

### 4. COMPANY PERFORMANCE:

During the financial year under review your company has achieved total income of Rs. 46,552,450 as against the previous year income of Rs. 26,403,721 and recorded net Profit of Rs. 3,74,100 for financial year 2018-19 when compared to a net Profit of Rs. 1,760,690 during the previous year.

### 5. SHARE CAPITAL

The paid up equity share capital of the Company as on 31st March, 2019, is Rs. 52,960,000/- During the year under review, the Company has not issued shares with differential voting rights, sweat equity shares or Employee Stock Options.





## 6. DIVIDEND

Your Directors do not recommend any Dividend for the Financial Year 2018-2019 as the profits are planned to be ploughed back into the business operations.

## 7. DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from its member and public during the Financial Year.

## 8. MEETINGS

During the year under review, five board meetings were held on 27th April 2018, 30th May 2018, 14th August 2018, 14th November 2018, and 13th February, 2019. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

## 9. BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 in the following manner:

- i. Structured evaluation forms, as recommended by the Nomination and Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 13th February 2019 to evaluate the performance evaluation of the Chairman, the Non Independent

Directors, the Board and flow of information from management.



## 10. VIGIL MECHANISM

Pursuant to the provisions of section 177 (9) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (meetings of board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015 the Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group.

## 11. NOMINATION & REMUNERATION POLICY

A committee of the Board named as “Nomination and Remuneration Committee” has been constituted to comply with the provisions of section 178 of Companies Act, 2013 and to recommend a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. The policy is also posted in the of the company's website.

## 12. DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Vandana Reddy Gaddam retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. B Manohar Gangaiah who was appointed as the independent directors of the company at the 24th Annual General Meeting of the company for a period of five years i.e. up to 29th Annual General Meeting of the company have completed their term of appointment. Further, pursuant to the provisions of Section 149 of the Companies Act, 2013, the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company hereby recommends the appointment of Mr. B Manohar Gangaiah as the Independent Director of the company for another period of 5 years

## 13. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) (c) of the Companies Act, 2013, and on the basis of secretarial audit received from the practicing company secretary and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- I. That in preparation of the Annual Accounts for the year ended 31st March, 2019; all the applicable Accounting Standards Prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- ii. That the Directors have adopted such accounting policies, as selected in consultation with



Statutory Auditors, and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2019.

- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Annual Accounts for the year ended 31st March, 2019, has been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

#### **14. RISK MANAGEMENT**

Pursuant to the provisions of section 134 (3) (n) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per SEBI (LODR) Regulations, 2015 the Risk management is not applicable to the Company

#### **15. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from all the Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) and in SEBI (LODR) Regulations, 2015

#### **16. STATUTORY AUDITORS**

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, the Statutory Auditor M/s. M N RAO & Associates, Chartered Accountants, (Registration No. 005386S), Chartered Accountant, Hyderabad, appointed as the Statutory Auditors of the Company to hold office from conclusion of 28th Annual General Meeting for a period of 5 years in accordance with the Act, The Company is in receipt of confirmation from the Statutory Auditor that in the event of his appointment as Statutory Auditor such appointment will be in accordance with the limits specified in Section 141(3)(g) of the Companies Act, 2013.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications in the report of the statutory auditors for the year 2018-19



## 17. INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. NSVR & CO, Chartered Accountants, and Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis pursuant to the provisions of section 138 and rule 13 of companies (Accounts) rules, 2014.

## 18. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135 (1) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Corporate social responsibility policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), corporate social responsibility is not applicable to the Company.

## 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

## 20. 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 between the end of the financial year of the Company to which the financial statements relate and the date of the report

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

**A. Conservation of Energy:** The present operation of the Company does not involve High-energy consumption. However steps being taken to minimize energy consumption Where ever possible

**B. Research & Development:** The Research and Development division of Spices oils And Oleoresins department continues to focus on introducing of new brands.

**C. Technology Absorption** - Not Applicable

**D. Foreign Exchange Earnings & Outgo:** (Figures in Rs.)

	2018-19	2017-18
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

## 22. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to the provision of Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015 a report on Management Discussion & Analysis is set out as an **Annexure A**.

**23. CORPORATE GOVERNANCE:**

Since the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17, 18,19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations, 2015, are not applicable to the Company

**24. SECRETARIALAUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jineshwar Kumar Sankhala, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “Annexure B” to this report.

**25. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in FORM MGT 9 is annexed here with as “Annexure C” to this report

**26. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as Annexure-D. In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed through out the financial year and in receipt of remuneration of 102 Lakhs or more, or employees who are employed for part of the year and in receipt of 8.5 Lakhs or more per month.

**27. SUBSIDIARIES**

During the financial year under review, we did not have any subsidiary or joint venture or associate company.

**28. RELATED PARTY TRANSACTION**

The Company has not entered into any transaction with any of its related parties falling under Section 188 of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or any related party which may have a potential conflict with the interest of the Company at large.

Related Party Transactions, if any are placed before the Audit Committee and the Board for approval.

**29. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE**

The Company strongly supports the rights of all its employees to work in an environment free from



all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year

### **30. HUMAN RESOURCES:**

The Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees

### **31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **32. ACKNOWLEDGEMENTS:**

Your Directors place on record, their appreciation for the co-operation and support from The Bankers, Financial Institutions, the stockiest and distributors, Supplier and Customers.

Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders, Central and State Government agencies etc for their Support and co-operation. Your Directors express their heartfelt gratitude to the Employees for their exceptional commitment and loyalty to the Company.

By Order Of the Board of Directors  
**FOR NATURITE AGRO PRODUCTS LIMITED**

Sd/-  
**G VALLABH REDDY**  
Managing Director  
DIN: 01006373

Sd/-  
**B BHAGYA SRI LATHA**  
Director & CFO  
DIN: 6927511

Place: Hyderabad  
Date: 13.08.2019



## ANNEXURE - A

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

The spices market in the India has witnessed a growth in recent years on account of rising demand for spices fueled by expansion in spice mixes. The surge in growth is majorly originated from growth in chilly and turmeric as a segment of spice market. The growth in this segment has been largely led by the domestic factors such as increase in the area under cultivation and increasing demand from international markets. Unorganized segment has been dominating the spices market in India for the last many years. The dominance of the unorganized segment in spices market in India can be attributed to the presence of huge number of local players selling open and unbranded products in the market.

**OPPORTUNITIES AND THREATS:****Opportunities:**

1. Venture into ready to eat food segment present a huge opportunity for company
2. Company has also ventured into manufacturing and selling incense sticks, Hing, toothpowder and soya, which increases its presence and encourages more shelf space and cross selling for its products
3. Listing the company under a stock exchange will open up huge avenues of capital for the company to support its expansion plans and allows it to venture into new businesses

**Threats:**

1. Company may remain complacent about its dominating market share, and might lose out to its competitors
2. Intervention of Government viz-a-viz import & export of spices is causing upheavals in the market hence affecting both demand and price
3. Constant increase in costs in terms of raw material inputs, services, power and fuel. The huge surge in costs continues to be a point of concern for the Company

**RISKS AND CONCERNS:**

While rising disposable incomes, boom in infant population and an increase in the preferences will result in increased spending on spices products in the India, volatility in global spices product prices and quality are few of the major challenges which will affect the growth of this industry in the future”, according to the Research Associate, Ken Research.

**INDUSTRY OUTLOOK:**

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. These forward looking statements,



which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the Directors and Management of the Company, about the business, industry and markets in which the Company operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond Company's control and difficult to predict, that could alter actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of the Company.

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

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly.

The Board of Directors has been entrusted with the responsibility of reviewing the findings and to investigate and take necessary actions wherever required

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company is hopeful that this fiscal the Company will achieve good turnover as the economy will witness upward trend and good business despite of huge competition in wholesale prices and doing trading with fewer margins to sustain in the market.

### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

The Company's expansion into new markets has necessitated the increase in manpower during the year under review. We believe additional persons will be added to the Company's work force during 2017-18. Majority of this increase will come in the areas of brand promotions and extension services as well as at the overseas manufacturing centers

By Order of the Board of Directors  
**FOR NATURITE AGRO PRODUCTS LIMITED**

Sd/-  
**G VALLABH REDDY**  
Managing Director  
DIN: 01006373

Place: Hyderabad  
Date: 13.08.2019





**ANNEXURE – B**  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended 31st March, 2019**

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

**To,**  
**The Members,**  
**M/s NATURITE AGRO PRODUCTS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s NATURITE AGRO PRODUCTS LIMITED** (hereinafter called the company) having its registered office Survey Sy. No. 711-713, Lalgadi Malakpet Village, Shamirpet Mandal, R.R. District, Telengana - 500078. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/2018; (not applicable during the audit period)



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the audit period)
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the audit period)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/2018; (not applicable during the audit period)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/2018; (not applicable during the audit period) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the audit period) and
- i) The SEBI (Listing Obligations & Disclosure Requirements) 2015, entered into by the Company with Stock Exchange; As **Applicable**.

**Other specifically applicable laws to the Company:**

- The Spices Board Act, 1986 –
- The Boilers Act, 1923 –
- Explosives Act, 1884 –
- Essential Commodity Act, 1955

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

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

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



**We further report that**

- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

**P.S. Rao & Associates**  
Company secretaries

**Jineshwar Kumar Sankhala**  
Company Secretary  
M No: 21697  
C P No: 18365

Place: Hyderabad  
Date: 13.08.2019



## Annexure C

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2019

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

**1. REGISTRATION AND OTHER DETAILS:**

CIN:-	L01119TG1990PLC011554
Registration Date	06/08/1990
Name of the Company	NATURITE AGRO PRODUCTS LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/Indian Nongovernment Company
Address of the registered office and contact details:	Sy.No. 711-713, LalgadiMalakpet (V), Shamirpet, Telangana- 500078
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad-500018

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY-NIL**

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

Sl. No.	Name and Description of Main products / Services	NIC Code of The Product/ Service	% to total Turnover of the Company
1	Other agricultural products	0163	100%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shareheld	Applicable Section
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#### 4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	3406000	0	3406000	64.31	3656900	0	3656900	69.05	+4.74
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	3406000	0	3406000	64.31	3656900	0	3656900	69.05	0
<b>B. Public Shareholding</b>									
1. INSTITUTIONS									
I) FIIs									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.					1	0	1	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	293300	524600	817900	15.44	275499	233000	508499	9.60	-5.84
ii) Individual shareholders holding nominal share capital in excess of Rs2 lakh	537000	535100	1072100	20.24	616400	514200	1130600	21.35	+1.11
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
Non Resident Indians									
Clearing Members									
Sub-total (B):-	830300	1059700	1890000	35.69	891900	747200	1639100	30.95	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Grand Total (A+B+C)	4236300	1059700	5296000	100	4548800	747200	5296000	100	0

**B) Shareholding of Promoter-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In Share Holding During The year
		No. of Shares	% of Total Shares Of the Company	% of Shares Pledged / encumbered To total shares	No. of Shares	% of Total Shares Of the Company	% of Shares Pledged / encumbered To total shares	
1	G Vandana Reddy	7, 82,400	14.77	-	8,28,700	15.65	-	0.88
2	G Usha	2, 72,500	5.15	-	4,77,100	9.01	-	3.86
3	G Vallabh Reddy	7, 72,000	14.58	-	7,72,000	14.58	-	-
4	Srikanth Reddy CH	15,79,100	29.82	-	15,79,100	29.82	-	-

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
				No. of shares	% of total Shares Of the Company	No. of shares	% of total Shares Of the Company
1	At the beginning of the year			4, 06,000	64.31	4, 06,000	64.31
2	Changes During the year	22.11.2018	Purchase	2,50,900	4.74	36,56,900	69.05
3	At the end of the year			36,56,900	69.05	36,56,900	69.05

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares Of the Company	No. of shares	% of total Shares Of the Company
1.	N Karuna Reddy	0	0	93700	1.77
2.	Kytham Varuna Reddy	0	0	86800	1.64
3.	Puchalapalli Vijitha	0	0	72600	1.37
4.	M Madhav Rao	50000	0.94	50000	0.94
5.	Jakkidi Chandrashaker Reddy	0	0	49500	0.93
6.	J Prashanthi Reddy	49500	0.93	0	0
7.	Suryaprakash Reddy Jakkidi	42500	0.80	42500	0.80
8.	Sudhakar Nookala Reddy	42500	0.79	42500	0.79
9.	Subhashini Chegireddy	42000	0.78	42000	0.78
10.	Ippagunta Venkata Raja Rami Reddy	41500	0.77	41500	0.77
11.	Subba Reddy P	40000	0.75	40000	0.75
12.	A B Satyavas Reddy	39600	0.74	39600	0.74
13.	R Suresh	39200	0.72	39200	0.72

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and Each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares Of the Company	No. of shares	% of total Shares Of the Company
1	Vallabh Reddy Gaddam	772000	14.58	772000	14.58
2	K Prabhakar Reddy	41000	0.77	86500	1.62
3	B Monohar Gangaiah	0.00	0.00	0.00	0.00
4	B Bhagya Srilatha	17800	0.34	79400	1.50
5	Vandana Reddy Gaddam	782400	14.77	828700	15.65
6	Usha Gaddam	272500	5.15	477100	9.01
7	Mahareddy Revanth Reddy	0.00	0.00	0.00	0.00
8	Aniket Vijay Kale	0.00	0.00	0.00	0.00
9	Divya Agrawal	0.00	0.00	0.00	0.00



**V) INDEBTEDNESS- Indebtedness of the Company including Interest outstanding/ accrued but not due for payment - Nil**

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year	417554	5259298	—	5676852
I) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	417554	5259298	—	5676852
Change in Indebtedness during the financial year				
* Addition	—	1775828	—	1775828
* Reduction	417554	—	—	417554
Net Change	417554	1775828	—	1358274
Indebtedness at the end of the financial year				
I) Principal Amount		7035126		7035126
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	7035126	—	7035126





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	G VALLABH REDDY
1	Gross salary	6,00,000
	(a) Salary as per provisions Contained in section 17(1) of the Income-tax Act, 1961	NIL
	(b) Value of perquisites U/s 17(2) Income-tax Act, 1961	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - others, specify...	NIL
5	Others, please specify	
	Total (A)	6,00,000

### B. Remuneration to other directors -Nil

Sl.No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board Committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board Committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**NIL**



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL  
OTHER THAN MD/MANAGER/WTD**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	392088	100000	492088
	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	—	—	—
	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission - As % of profit Others specify...	— — —	— — —	— — —
5	Others, please specify	—	—	—
	Total	392088	100000	492088

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES-NIL**

Type	Section Of the Companies Act	Brief Description	Details of Penalty / P Punishment/ Compounding Fees imposed	Authority [RD / NCLT / COURT]	Appeal Made, if any (Give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

By Order Of the Board of Directors  
**FOR NATURITE AGRO PRODUCTS LIMITED**

Sd/-  
**G VALLABH REDDY**  
Managing Director  
DIN: 01006373

Sd/-  
**B BHAGYA SRI LATHA**  
Director & CFO  
DIN: 6927511

Place: Hyderabad  
Date:13.08.2019



## ANNEXURE –D

**Information pursuant to Section 197 of the Act  
Read with Rule 5(1) of the Companies (Appointment and Remuneration of  
Managerial Personnel) Rules, 2014.**

I. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2018-19 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:

Name of the Director/ Key Managerial Personnel	Remuneration of Director KMP for the financial year 2018-19	% increase in Remuneration in the financial year 2018-19	Ratio of the remuneration to the median remuneration of the employees
Dr. G .V .Reddy Managing Director	600000	-	4.95
B. Bhagya Sri Latha	392088	-	3.23
Divya Agrawal	100000	-	0.82

**Note:** The median remuneration of employees of the Company during the financial year was Rs.121308/-

- ii. In the financial year under review, there was an increase of 10.02% in the median remuneration of employees.
- iii. The number of permanent employees on the rolls of company: 28
- (iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
The average increase in the salaries of employees other than the managerial personnel in 2018-19 was 79.67%. No increase in percentage in the managerial remuneration for the same financial year.
- (v) The company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

By Order Of the Board of Directors  
**FOR NATURITE AGRO PRODUCTS LIMITED**

Sd/-  
**G VALLABH REDDY**  
Managing Director  
DIN: 01006373

Sd/-  
**B BHAGYA SRI LATHA**  
Director & CFO  
DIN: 6927511

Place: Hyderabad  
Date:13.08.2019



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Naturite Argo Products Limited

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Naturite Argo Products Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, its cash flows and the changes in equity 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 Responsibility 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 ethical 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 obtained by us 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 judgement, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.



Key Audit Matter	How the Matter was addressed in Audit
<p><b>1. Revenue Recognition</b></p> <p>As described in Note 1.4 to the Ind AS financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard.</p> <p>The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized.</p> <p>This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new accounting standard, include –</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new accounting standard;</li> <li>• Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> <li>• Evaluated the cumulative effect adjustments as at 1st April 2018 for compliance with the new accounting standard; and</li> <li>• Evaluated the appropriateness of the disclosures provided under the new accounting standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

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

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in





“Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations to which would have an impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M N Rao & Associates**  
Chartered Accountants  
Firm Reg.No. 005386S

Sd/-  
**M V Rathnam**  
Partner  
Membership No. 008314

Place: Hyderabad  
Date: 29-05-2019



**Annexure-A to the Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of "Naturite Agro Products Limited" for the year ended March 31, 2019)**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) All fixed assets have been physically verified by the management during the year in accordance with a phased program of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- © According to the information and explanations given to us by the Company the title deeds of immovable properties are held in the name of the company.
- ii. The Company has conducted physical verification of the inventory at regular intervals and no material discrepancies were noticed during such verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has neither granted loans nor made any investment. Hence provisions of sec 185 & 186 of Companies Act, 2013 are not applicable.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally irregular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax outstanding on account of dispute.



- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. There are no outstanding over dues which are payable to banks and financial institutions.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Companies Act are complied.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For **M N Rao & Associates**  
Chartered Accountants  
Firm Reg.No. 005386S

Sd/-  
**M V Rathnam**  
Partner

Membership No. 008314

Place: Hyderabad  
Date: 29-05-2019



## **Annexure B To The Independent Auditor's Report Of Even Date On The Financial Statements Of Naturite Argo Products 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 **Naturite Argo Products Limited**

We have audited the internal financial controls over financial reporting of **Naturite Argo Products Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M N Rao & Associates**  
Chartered Accountants  
Firm Reg.No. 005386S

**Sd/-**  
**M V Rathnam**  
Partner  
Membership No. 008314

Place: Hyderabad  
Date: 29-05-2019



## Balance Sheet as at March 31, 2019

Amount in ₹

Particulars	Notes	March 31, 2019	March 31, 2018
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	2	104,262,985	104,701,439
<b>Financial assets</b>			
Other non current financials assets	3	244,592	244,592
		<b>104,507,577</b>	<b>104,946,031</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Inventories	4	19,971,135	18,977,185
Trade receivables	5	23,981,696	17,798,465
Cash and cash equivalents <sup>6</sup>		2,922,640	6,205,712
Loand and advances	3	157,680	157,680
Other financial assets <sup>8</sup>		672,648	888,456
Other current assets	9	5,101,618	4,480,495
		<b>52,807,417</b>	<b>48,507,993</b>
<b>TOTAL</b>		<b>157,314,994</b>	<b>153,454,023</b>
Equity and liabilities			
Equity			
Equity share capital	10	52,960,000	52,960,000
Other equity	11	71,505,331	71,364,145
		<b>124,465,331</b>	<b>124,324,145</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	12	-	417,554
Deferred tax liabilities (net)		20,109,442	20,045,668
		<b>20,109,442</b>	<b>20,463,222</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12	7,035,126	5,259,298
Trade Payables	13	2,979,694	791,333
Other financial liabilities	14	1,449,180	1,396,525
Provisions	15	755,431	716,375
Other current liabilities	16	520,790	503,125
		<b>12,740,221</b>	<b>8,666,656</b>
<b>TOTAL</b>		<b>157,314,994</b>	<b>153,454,023</b>

Summary of significant accounting policies 1  
The accompanying notes are an integral part of the financial statements

As per our report of even date

For **M N Rao & Associates**

Chartered Accountants

Firm Reg.No. 005386S

Sd/-

**M V Rathnam**

Partner

Membership No. 008314

For and on behalf of the Board of Directors

**Naturite Argo Products Limited**

Sd/-

**Vallabh Reddy Gaddam**

Managing Director

DIN: 01006373

Sd/-

**Kyatham Reddy Prabhakar**

Director

DIN: 00966105

**Bhagya Srilatha Tummagunta**

Chief Financial Officer

**Divya Agrawal**

Company Secretary

Place: Hyderabad

Date: 29-05-2019



## Statement of Profit and Loss for the year ended March 31, 2019

Amount in ₹

Particulars	Notes	For the year ended March 31 2019	For the year ended March 31 2018
<b>Revenue</b>			
Revenue from operations	17	46,126,096	25,454,960
Other income	18	426,354	948,761
<b>Total Revenue (I)</b>		<b>46,552,450</b>	<b>26,403,721</b>
<b>Expenses</b>			
Cost of Materials Consumed	19	33,429,361	13,821,383
Changes in Inventories of Finished Goods and Work-in-Progress	20	-1,244,450	-10,188,300
Employee benefits expenses	21	5,495,153	6,452,946
Manufacturing Expenses	22	6,020,808	10,063,649
Finance costs	23	104,230	167,359
Depreciation and amortization expenses	2	888,185	833,313
Other Expenses	24	1,654,202	3,522,898
<b>Total Expenditure</b>		<b>46,347,490</b>	<b>24,673,248</b>
<b>Profit before tax</b>		<b>204,960</b>	<b>1,730,473</b>
<b>Tax expense</b>			
Current tax	25	39,055	329,740
MAT credit	25	-39,055	-329,740
Deferred tax (credit)	13	-169,139	-30,217
<b>Total tax expense</b>		<b>-169,139</b>	<b>-30,217</b>
<b>Net profit after tax</b>		<b>374,100</b>	<b>1,760,690</b>
<b>Items of other comprehensive income</b>			
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains on Fixed Assets		-	96,963,533
Income tax effect on gain on Fixed assets		232,913	-19,747,875
Net (loss)/gain on FVTOCI equity securities		-	-
Income tax effect		-	-
<b>Total other comprehensive income</b>		<b>-232,913</b>	<b>77,215,658</b>
<b>Total comprehensive income for the year</b>		<b>141,187</b>	<b>78,976,348</b>
<b>Earnings per share (EPS) (of Rs.10/each) (amount in Rs.)</b>			
Basic		0.07	0.33
Diluted		0.07	0.33
Summary of significant accounting policies	1		

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

As per our report of even date

For **M N Rao & Associates**

Chartered Accountants

Firm Reg.No. 005386S

Sd/-

**M V Rathnam**

Partner

Membership No. 008314

For and on behalf of the Board of Directors

**Naturite Argo Products Limited**

Sd/-

**Vallabh Reddy Gaddam**

Managing Director

DIN: 01006373

Sd/-

**Kyatham Reddy Prabhakar**

Director

DIN: 00966105

**Bhagya Srilatha Tummagunta**

Chief Financial Officer

**Divya Agrawal**

Company Secretary

Place: Hyderabad

Date: 29-05-2019



## Cash Flow Statement for the year ended March 31, 2019

Amount in ₹

Particulars	For the year ended March 31 2019	For the year ended March 31 2018
<b>Cash flow from operating activities</b>		
Profit before taxation	204,960	1,730,473
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	888,185	833,313
Interest income	-362,954	(919,210)
Interest Expense	100,855	-
Provision no longer required written back	-	3,522,898
<b>Operating profit before working capital changes</b>	<b>831,047</b>	<b>5,167,475</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in Inventories	-993,950	(9,658,700)
(Increase)/decrease in trade receivables	-6,183,231	(6,243,769)
(Increase)/decrease in Other non-current financial assets	-	(23,400)
(Increase)/ decrease in other current financial assets	215,808	793,242
(Increase)/ decrease in other Current Assets	-621,124	1,812,950
Increase/(decrease) in other Financial Liabilities	52,655	(210,640)
Increase/(decrease) in other current liabilities	56,721	(21,083)
Increase/(decrease) in Trade Payables	2,188,362	726,084
<b>Cash generated from operations</b>	<b>-4,453,713</b>	<b>(7,657,841)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash generated from operating activities (A)</b>	<b>-4,453,713</b>	<b>(7,657,841)</b>
<b>Cash flows from investing activities</b>		
Interest Received	362,954	919,210
Purchase of fixed assets	-449,731	-
<b>Net cash used in investing activities (B)</b>	<b>-86,777</b>	<b>919,210</b>
<b>Cash flows from financing activities</b>		
Interest Paid	-100,855	-
Borrowings Increase/Decrease	1,358,274	(5,746,238)
<b>Net cash generated from/used in financing activities (C)</b>	<b>1,257,419</b>	<b>(5,746,238)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>-3,283,071</b>	<b>(12,484,869)</b>
Cash and cash equivalents at the beginning of the year	6,205,712	18,690,582
<b>Cash and cash equivalents at the end of the year</b>	<b>2,922,641</b>	<b>6,205,713</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	50,627	18,699
Balances with scheduled banks		
Current accounts	450,271	1,165,272
Fixed deposits	2,421,741	5,021,741
Remittance in transit		-
<b>Total cash and cash equivalents (refer note 10)</b>	<b>2,922,639</b>	<b>6,205,712</b>

As per our report of even date  
For **M N Rao & Associates**  
Chartered Accountants  
Firm Reg.No. 005386S

**Sd/-**  
**M V Rathnam**  
Partner  
Membership No. 008314  
Place: Hyderabad  
Date: 29-05-2019

For and on behalf of the Board of Directors  
**Naturite Argo Products Limited**

<b>Sd/-</b> <b>Vallabh Reddy Gaddam</b> Managing Director DIN: 01006373	<b>Sd/-</b> <b>Kyatham Reddy Prabhakar</b> Director DIN: 00966105
<b>Bhagya Srilatha Tummagunta</b> Chief Financial Officer	<b>Divya Agrawal</b> Company Secretary





## Corporate information

Naturite Argo Products Limited('the company') is having the business of Agro Products. The Company was incorporated on 06th August, 1990 in Hyderabad and listed on BSE dated 05th February,2015.

The Financial statements for the year ended March 31st, 2019 were approved by the Board of Directors and authorised for issue on 29th May, 2019.

### 1. Significant accounting policies

#### 1.1. Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (refer accounting policy regarding financial instruments), which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

The financial statements are presented in INR (₹) and all the values are rounded off to the nearest Rupee except when otherwise indicated.

#### 1.2. Current versus non-current classification

The Company presents assets and liabilities in balance sheet based on current/non-current classification.

##### 1. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

##### 2. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.



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

Advance tax paid is classified as noncurrent assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **1.3. Use of Accounting Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of consolidated financial Statements, the reported amount of revenues and expenses during the reported period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### **1.4. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Interest Income is recognised at the accrual basis, determined by the amount outstanding and the rate applicable.

#### **1.5. Taxes**

##### **Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

##### **Deferred income tax**

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent period(s) is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is virtual certainty with respect to the reversal of the same in future years.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**Minimum alternate tax (MAT)**

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum

**1.6. Property, plant and equipment**

On transition to Ind-AS, the Company has elected to revalue the Freehold Land of the company to its fair value.

Property, plant and equipment are recognized at cost of acquisition and installation less accumulated depreciation.

**1.7. Depreciation**

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**1.8. Borrowing costs**

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**1.9. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost is arrived at by using FIFO method and includes all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**1.10. Provisions and contingent liability**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**1.11. Financial instruments**

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



### **Initial Recognition**

Financial assets and liabilities are recognised when the Company becomes a party to the contract that gives rise to financial assets and financial liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### **Subsequent Measurement**

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income (nothing has been modified so can be removed)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through profit or loss (nothing has been modified so can be removed)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

#### **Financial liabilities (nothing has been modified so can be removed)**

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

### **1.12. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



### 1.13. Disclosure of related party transactions and balances for the year ended March 31, 2019

#### 1.14 Related Party transactions

Sr. No.	Name of the Related Party	Relationship
1	Vallabh Reddy Gaddam	Managing Director (Key Managerial Person)
2	Prabhakar Reddy Kyatham	Director
3	Vandana Reddy Gaddam	Director
4	BhagyaSrilathaTummagunta	Whole Time Director & Chief Financial Officer
5	Manohar Bacha Gangaiah	Independent Director
6	MahareddyRevanth Reddy	Independent Director
7	Ankit Vijay Kale	Independent Director
8	Divya Agrawal	Company Secretary (Key Managerial Person)
9	Naturite Agro Products LLC	Entity in which Director is related

#### B. Related party Transactions for the year ended March 31, 2019:

Amount in ₹

Sr. No.	Nature of transaction/ relationship/ major parties	Transactions		Balance Outstanding	
		2018-2019	2017-2018	2018-2019	2017-2018
	Particulars	Amount	Amount	Amount	Amount
	Naturite Agro Products LLC				
	Sale of products	-	-	4,00,822	4,00,822

#### C. List of Transactions with directors and key management personnel:

Amount in ₹

Particulars	Remuneration Paid in FY 2018-19	Remuneration Paid in FY 2017-18
Vallabh Reddy Gaddam	-	6,00,000
Bhagya Srilatha Tummagunta	3,92,088	3,92,088
Divya Agrawal	1,00,000	-



## Remuneration paid to non-executive directors and independent directors

Amount in ₹

Particulars	Paid in FY 2018-19	Paid in FY 2017-18
Nil	-	-

## 1.15 Earning per share

Amount in ₹

Particulars	2018-19	FY 2017-18
Profit (Loss) for the year	3,74,100	17,60,690
Weighted average no.of Equity shares	52,96,000	52,96,000
Diluted earning per share	0.07	0.33
Basic earning per share	0.07	0.33



Notes to the Financial Statements for the year ended March 31, 2019  
**Note 2. Property, plant and equipment and Intangible assets**

Deemed Cost	Leasehold Land	Buildings	Furniture and Fixtures	Office Equipment	Vehicles	Plant & Machinery	Total
<b>As at March 31, 2018</b>	<b>97,574,033</b>	<b>3,627,950</b>	<b>250,497</b>	<b>237,180</b>	<b>3,669,802</b>	<b>864,22</b>	<b>1106,223,683</b>
Additions			93,948			355,783	449,731
Disposals		-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>97,574,033</b>	<b>3,627,950</b>	<b>344,445</b>	<b>237,180</b>	<b>3,669,802</b>	<b>1,220,004</b>	<b>106,673,414</b>
<b>Depreciation</b>							
<b>As at March 31, 2018</b>	<b>-</b>	<b>485,093</b>	<b>61,756</b>	<b>109,980</b>	<b>761,192</b>	<b>104,223</b>	<b>1,522,244</b>
Charge for the year		259,059	41,804	42,208	472,502	72,613	888,185
Disposals		-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>744,152</b>	<b>103,560</b>	<b>152,188</b>	<b>1,233,693</b>	<b>176,836</b>	<b>2,410,429</b>
<b>Net block</b>							
<b>As at March 31, 2019</b>	<b>97,574,033</b>	<b>2,883,798</b>	<b>240,885</b>	<b>84,992</b>	<b>2,436,109</b>	<b>1,043,168</b>	<b>104,262,985</b>
<b>As at March 31, 2018</b>	<b>97,574,033</b>	<b>3,142,857</b>	<b>188,740</b>	<b>127,200</b>	<b>2,908,611</b>	<b>759,998</b>	<b>104,701,439</b>



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

## 3. Financial assets

Particulars	Non Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Loan and advances</b>				
<b>From Related party</b>				
Unsecured, considered good	-	-	157,680	157,680
Unsecured, considered doubtful				-
	-	-	157,680	157,680
Less: Provision for doubtful advances				
	-	-	<b>157,680</b>	<b>157,680</b>
	-	-	<b>157,680</b>	<b>157,680</b>
<b>Security deposits</b>				
Unsecured, considered good	244,592	244,592	-	-
Unsecured, considered doubtful			-	-
<b>Total - Security Deposits</b>	244,592	244,592	-	-
Less: Provision for doubtful advance	-	-	-	-
	244,592	244,592	-	-
<b>Total</b>	<b>244,592</b>	<b>244,592</b>	-	-

## 4. Inventories ( at lower of cost or net realisable value)

Particulars	31st March, 2019	31st March, 2018
Raw materials	519,500	770,000
Finished Goods	19,451,635	18,207,185
<b>Total</b>	<b>19,971,135</b>	<b>18,977,185</b>

## 5. Trade receivables

Particulars	31st March, 2019	31st March, 2018
Considered good	23,981,696	17,798,465
Less:		
Allowances for doubtful debts	-	-
<b>Total</b>	<b>23,981,696</b>	<b>17,798,465</b>





## 6. Cash and cash equivalents

Particulars	31st March, 2019	31st March, 2018
Balance with banks		
- In bank accounts	450,271	1,165,272
- Deposit with original maturity of less than three months	2,421,741	5,021,741
Cash on hand	50,627	18,699
<b>Total</b>	<b>2,922,639</b>	<b>6,205,712</b>

## 8. Other financial assets

Particulars	31st March, 2019	31st March, 2018
Unsecured - Considered good		
Interest accrued on Deposits	672,648	888,456
	672,648	888,456
Provision for doubtful receivables	-	-
<b>Total</b>	<b>672,648</b>	<b>888,456</b>

## 9. Other Current assets

Particulars	Non Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Advance recoverable in cash or kind	-	-	2,821,824	2,171,325
MAT Credit	-	-	1,562,417	1,523,362
Prepaid expenses	-	-	21,874	12,178
<b>Balance with Statutory/ Government authorities</b>				
Unsecured - Considered good	-	-	695,503	773,630
Unsecured - Considered Doubtful	-	-	-	-
Provision for doubtful receivables	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,101,61</b>	<b>4,480,495</b>



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

## 10. Equity Share Capital

Particulars	31st March, 2019	31st March, 2018
<b>Authorised Shares (No.'s)</b>		
I) Equity share capital		
60,00,000 equity shares with voting rights of Rs. 10/- each	600,00,000	600,00,000
	<b>600,00,000</b>	<b>600,00,000</b>
<b>Issued, subscribed and paid up capital</b>		
52,96,000 equity shares with voting rights of Rs.10/- each	52,960,000	52,960,000
	<b>52,960,000</b>	<b>52,960,000</b>

## a) Reconciliation of number of equity shares outstanding and the amount of share capital

Particulars	31st March, 2019		31st March, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	5,296,000	52,960,000.00	5,296,000	52,960,000.00
Issued during the year				
Outstanding at the end of the year	<b>5,296,000</b>	<b>52,960,000.00</b>	<b>5,296,000</b>	<b>52,960,000.00</b>

## b) Terms/Rights attached to the equity shares

The Company has only one class of Issued, subscribed and paid up equity shares having a par value of Rs. 10/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The Company has not declared any dividend in the current and previous year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

## c) Details of the shareholders holding more than 5% share in the Company

Name of the Shareholder	31st March, 2019		31st March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
<b>Equity shares of Rs. 10/- each fully paid up</b>				
C.Srikanth Reddy	1,579,100	29.82%	1,579,100	29.82%
C.Vandana Reddy	782,400	14.77%	782,400	14.77%
Dr.G.V.Reddy	772,000	14.58%	772,000	14.58%
G.Usha	272,500	5.15%	272,500	5.15%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



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

**11. Other equity**

Particulars	31st March, 2019	31st March, 2018
Opening balance	1,500,000	1,500,000
Add: Premium on equity shares issued during the year	-	-
Closing balance	<b>1,500,000</b>	<b>1,500,000</b>
<b>Retained earnings</b>		
Opening balance	69,864,145	-9,112,203
<b>Adjustment</b>		
Add: Net profit after tax transferred from statement of profit and loss	374,100	1,760,690
Items of other comprehensive income directly recognised in retained earnings	-232,913	77,215,658
-Remeasurement of post employment benefit obligations, net of tax	-	-
Amount available for appropriations	<b>70,005,331</b>	<b>69,864,145</b>
<b>Total</b>	<b>71,505,331</b>	<b>71,364,145</b>

**12. Financial liabilities - borrowings**

Particulars	Non Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Secured Loan</b>				
<b>Term Loans</b>				
From Banks	227,352	477,532	-	-
From Other Parties	185,630	754,806	-	-
Less: Current Maturities	-412,982	-814,784	-	-
	-	417,554	-	-
<b>Unsecured Loan</b>				
<b>Loans From Related Parties</b>				
From Directors	-	-	5,685,126	259,298
<b>Inter Corporate Deposits</b>				
Unsecured, Considered Good	-	-	1,350,000	5,000,000
	-	-	7,035,126	5,259,298
<b>Total</b>	-	<b>417,554</b>	<b>7,035,126</b>	<b>5,259,298</b>

Note: The vehicles are being hypothecated for the Term Loan. The borrowings are measured at amortised cost.



### 13. Financial liabilities - Trade payables

Particulars	31st March, 2019	31st March, 2018
Trade Payable		
- Related parties	-	-
- Others	2,979,694	791,333
<b>Total</b>	<b>2,979,694</b>	<b>791,333</b>

#### Terms and conditions of the above financial liabilities:

- i) Trade payables are non-interest bearing and are normally settled on 30-45 days terms.
- ii) The dues to related party are unsecured and are normally payable within 30 days from the date of receipt of demand.

### 14. Other Financial Liabilities

Particulars	Non Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Financial liabilities at carried value</b>				
Current maturities of long term borrowings	-	-	412,982	814,784
Other payables	-	-	1,036,198	581,741
Advance from suppliers	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,449,180</b>	<b>1,396,525</b>

Note: The Other Financial Liabilities are measured at carried cost.

### 15. Provisions

Particulars	31st March, 2019	31st March, 2018
Provision For Income Tax		
	755,431	716,375
	<b>755,431</b>	<b>716,375</b>

### 16. Other current liabilities

Particulars	31st March, 2019	31st March, 2018
Advance from Customers	-	-
Statutory payables	520,790	503,125
	<b>520,790</b>	<b>503,125</b>



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

**17. Revenue from Operations**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Sale of Products</b>		
Sale of Domestic Products	31,342,696	19,008,160
Other Operating Income	14,027,400	2,099,800
<b>(A)</b>	<b>45,370,096</b>	<b>21,107,960</b>
<b>Sale of Service</b>		
Job Processing Charges	756,000	4,347,000
<b>(B)</b>	<b>756,000</b>	<b>4,347,000</b>
<b>Revenue from Operations (A+B)</b>	<b>46,126,096</b>	<b>25,454,960</b>

**18. Other Income**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income on Deposits	362,954	919,210
Interest on IT Refunds	14,082	-
Prior Period Income	24,327	29,551
Foreign Exchange Fluctuations	24,991	-
<b>Total</b>	<b>426,354</b>	<b>948,761</b>

**19. Cost of Materials Consumed**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw Materials Consumed		
Opening stock at the beginning of the period	770,000	1,299,600
Add : Purchases	32,730,927	12,902,850
Add: Carriage Inward	447,934	388,933
	<b>33,948,861</b>	<b>14,591,383</b>
Less : Closing stock at the end of the year	519,500	770,000
	<b>33,429,361</b>	<b>13,821,383</b>



## 20. Change in Inventories of Finished Goods

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Opening stock of inventories</b>		
Finished goods	18,207,185	8,018,885
	<b>18,207,185</b>	<b>8,018,885</b>
<b>Closing stock of inventories</b>		
Finished goods	19,451,635	18,207,185
	<b>19,451,635</b>	<b>18,207,185</b>
<b>Change in inventories</b>	<b>-1,244,450</b>	<b>-10,188,300</b>

## 21. Employee Benefits Expenses

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, allowances and wages	4,961,237	5,388,982
Contribution to Provident Fund	167,732	127,609
Contribution to ESI	93,863	100,363
Managerial remuneration	-	600,000
Bonus	-	-
Staff welfare expenses	272,321	235,992
<b>Total</b>	<b>5,495,153</b>	<b>6,452,946</b>



## 22. Manufacturing and Other Expenses

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Manufacturing Expenses</b>		
Boiler Maintenance	93,290	131,318
Carriage outwards	198,707	150,661
Civil Works	74,980	35,939
Customs Duty	-	88,298
Deseeding Charges	-	91,090
Electricity Charges	1,464,254	2,003,594
Factory maintenance	139,629	85,008
Fuel Charges	2,722,737	5,580,616
Generator Expenses	-	11,979
Grinding Charges	31,698	146,028
Insurance	125,385	33,074
Laboratory Maintenance	48,399	80,306
<b>Labour Charges</b>		
Loading and Unloading Expenses	37,086	108,431
Packing Material	122,282	197,083
Petrol & Diesel	424,350	565,520
<b>Repairs &amp; maintenance</b>		
Plant and machinery	238,974	250,147
Buildings	-	84,420
Electrical Maintenance	79,769	56,675
Sampling Charges	24,170	10,818
Security Salary		28,000
Stores and Spares	195,099	324,644
<b>TOTAL</b>	<b>6,020,808</b>	<b>10,063,649</b>

## 23. Finance Cost

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest		
- on Vehicle loans	100,855	151,242
Bank charges	3,375	16,117
<b>Total</b>	<b>104,230</b>	<b>167,359</b>

**24. Other Expenses**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Advertisement expenses	4,500	42,830
Listing Expenses	114,719	191,790
Bad Debts	-	214,641
Certification charges	-	27,300
Computer Maintenance	14,119	11,370
Conveyance Expenses	26,696	45,180
Commission	24,070	-
General Expenses	15,221	36,188
Guest House Maintenance	3,600	3,600
Interest on TDS	1,036	890
Insurance for Directors		141,916
TDS Late Payment Fees	8,229	8,400
Income Tax Arrears Paid	41,540	-
Listing Fees	250,000	287,500
Water Charges	80,016	106,693
License & Fee	77,838	83,855
GST Late Payment Fees	-	400
Membership and Subscription Charges	-	35,974
Misc Expenses	26,375	43,542
Office and General Expenses	35,950	36,685
Office Rent	120,000	60,000
Postage and Telegram expenses	21,173	24,352
Printing and Stationary	22,459	42,898
Professional and Consultancy Charges	236,480	163,480
Rates and Taxes	44,786	1,595,368
Telephone Charges	93,389	92,600
Travelling Expenses	17,868	110,040
Vehicle Maintenance	299,139	40,407
Payment to Auditor:		
Audit Fee	75,000	75,000
<b>TOTAL</b>	<b>1,654,202</b>	<b>3,522,898</b>



**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Naturite Agro Products Limited.

I hereby record my presence at the 29th Annual General Meeting of the shareholders of Naturite Agro Products Limited on Friday, 27th September, 2019 At 11.00 AM at Registered Office of the Company at Sy. No. 711-713, Lalgadi Malakpet Village, Shamirpet Mandal, R.R.District, Telengana-500078

DP ID*	REG.FOLIO NO.
CLIENT ID*	NO OF SHARES

\*Applicable if shares are held in electronic form

Name and Address of Member

Signature of Shareholder

Representative (Please Specify)

**FORM NO. MGT-11****PROXY FORM**

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

CIN	L01119TG1990PLC011554		
Name of the Company	NATURITE AGRO PRODUCTS LIMITED		
Registered Office	Sy. No. 711-713, Lalgadi Malakpet Village, Shamirpet Mandal, R. R. District, Telengana - 500078		
Name of the Member			
Registered Address			
Email 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		
2.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
3.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		



As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on the .....day of..... At..... a.m. / p.m. at..... (Place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	For	Against
1.	Consider and adopt audited financial statements as at 31.03.2019 and profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2.	Re-appointment of Vandana Reddy Gaddam Director who retires by rotation		
3.	Appointment of Mr. Manohar Bacha Gangaiah as an Independent Director of the Company for a second term of five consecutive years.		

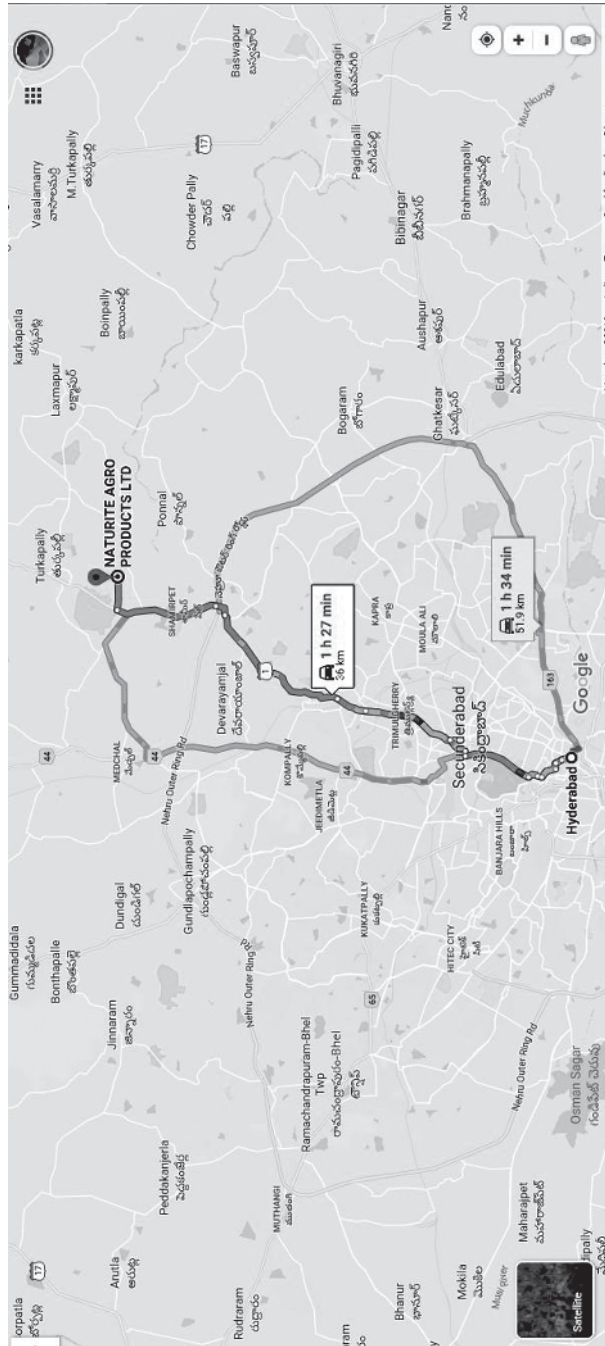
Signed this ..... day of ..... 2019.

Affix Revenue Stamp
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Signature of shareholder:

Signature of Proxy holder(s):

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



If undelivered please return to:

**NATURITE AGRO PRODUCTS LIMITED**

Sy.No.711-713, Lalgadi Malakpet village

Shamirpet Mandal, Medchal District - 500014.