16TH ANNUAL REPORT
2020-21

GHATPRABHA FERTILIZERS PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Ghatprabha Fertilizers Private Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Ghatprabha Fertilizers Private Limited.** ("the Company") which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

ADITYA FALOR & ASSOCIATES
M.No.
122487
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CHARTERED ACCOUNTANTS

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition (as described in note 1.16 of the standalone financial statements)**	
	For the year ended March 31, 2021 the Company has recognized revenue from sale of products of Rs. 5939.13 lacs. Revenue from sale of products is recognized when the significant risk and rewards of ownership of the goods have been transferred to the customer which generally coincide with the delivery of goods, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The Company considers estimated time of delivery of goods and this has an impact on the timing and extent of revenue recognition from sale of products. The varied terms that define when title, risk and rewards are transferred to the customer, as well as the high volume of transactions, give rise to the risk that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year end. Accordingly, due to the significant risk associated with revenue recognition, it has been determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • Evaluated the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Understood and tested the operating effectiveness of internal controls as established by the management in relation to revenue recognition. • Performed sales transactions testing based on a representative sampling and traced to sales invoices and other related documents to ensure that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the agreements with customers, including the shipping terms. • Tested sales transactions made near the year end by agreeing a sample of sales transactions occurring around the year end to supporting documentation including customer confirmation of receipt of goods to establish that sales and corresponding trade receivables are properly recorded in the correct period. • Performed monthly analytical review of revenue from sale of goods by streams to identify any unusual trends. • Assessed the relevant disclosures made within the standalone financial statements

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 standalone financial statements and our auditor's report thereon.

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

ADITYA PALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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.

ADITYA PALOR & ASSOCIATES
M.No.
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CHARTERED ACCOUNTANTS

- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 purpose of our audit.

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

ADITYA FALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 A". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

For **Aditya Falor & Associates**
Chartered Accountants
Firm Registration No. 127273W

ADITYA FALOR & ASSOCIATES
M.No.
122487
NANDED
CHARTERED ACCOUNTANTS

Aditya G. Falor
Proprietor
Membership No. 122487
UDIN: 21122487AAAAFW3876

Place: Nanded
Date: June 30, 2021

Annexure A to the Independent Auditors' Report

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

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Ghatprabha Fertilizers Private Limited** ('the Company') as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financing reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

ADITYA FALOR & ASSOCIATES
M.No. 122487
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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 the 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 **Aditya Falor & Associates**
Chartered Accountants
Firm Registration No. 127273W

ADITYA FALOR & ASSOCIATES
M.No. 122487
NANDED
CHARTERED ACCOUNTANTS

Aditya G. Falor
Proprietor
Membership No. 122487
UDIN: 21122487AAAAFW3876

Place: Nanded
Date: June 30, 2021

Annexure B to Independent Auditors' Report

(Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date:)

i. **FIXED ASSETS:**

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

(c) According to the information & explanations given to us & on the basis of our examination of the records of the Company, title deeds of all immovable properties are held in the name of company.

ii. **INVENTORY:**

As explained to us, the inventories except goods-in-transit, were physically verified during the year by the management at reasonable intervals. According to the information & explanation given to us, no material discrepancies were noticed on such verification.

iii. **LOANS GRANTED TO PARTIES COVERED U/S 189 OF COMPANIES ACT, 2013:**

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 during the year. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. **COMPLIANCE WITH SEC. 185 & SEC. 186 OF THE COMPANIES ACT, 2013:**

In our opinion & according to the information & explanations given to us, the Company has duly complied with the provisions of Section 185 & Section 186 of the Companies Act, 2013 with respect to the loans & investments made.

v. **DEPOSIT:**

The Company has not accepted any deposit falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013 and rules framed there under. There are no unclaimed deposits.

vi. **COST RECORDS:**

The Central Government has prescribed the maintenance of Cost Records u/s 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company.

ADITYA PALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

vii. STATUTORY DUES:

According to the information and explanations given to us, in respect of statutory dues;

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Services Tax, Customs Duty, Excise Duty , Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there were no known pending statutory dues during the year.

viii. DUES TO FINANCIAL INSTITUTION/BANKS/GOVT./DEBENTUREHOLDERS:

The Company has not defaulted in repayment of loans or borrowings to the financial institution, banks, government or has not issued any debentures.

ix. APPLICATION OF MONEY RAISED FROM INITIAL PUBLIC OFFER & TERM LOAN:

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) & term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable to the company.

x. FRAUD:

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. MANAGERIAL REMUNERATION:

The Managerial Remuneration has not been paid or provided and accordingly the requisite approvals mandated by the Provisions of Section 197 read with Schedule V of the Companies Act are not required.

xii. NIDHI COMPANY:

As the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

xiii. RELATED PARTIES:

According to the information & explanations given to us & based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Section 177 & Section 188 of the Act where applicable & the details of the transactions are disclosed in the Financial Statements as required by the applicable accounting standards.

ADITYA PALOR & ASSOCIATES
M.No. 122487
NANDED
CHARTERED ACCOUNTANTS

xiv. **PREFERENTIAL ALLOTMENT OR PRIVATE PLACEMENT OF SHARES/ CONVERTIBLE DEBENTURES:**
The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year.

xv. **COMPLIANCE OF SECTION 192 WITH REGARD TO NON-CASH TRANSACTIONS WITH DIRECTORS & CONNECTED PERSONS:**
According to the information & explanations given to us & based on our examination of the records of the Company, the Company has not entered in any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. **REGISTRATION U/S 45-IA OF THE RBI ACT,1934:**
The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

For **Aditya Falor& Associates**
Chartered Accountants
Firm Registration No. 127273W

ADITYA FALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

AdityaG. Falor
Proprietor
Membership No.122487
UDIN: 21122487AAAAFW3876

Place: Nanded
Date: June 30, 2021

GHATPRABHA FERTILIZERS PRIVATE LIMITED, NANDED

BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	6,43,52,736	7,04,82,051
(b) Investment property	3	16,74,970	16,74,970
(c) Intangible Asset	4	1,33,340	2,00,000
(d) Financial Assets			
(i) Other Financial assets	5	56,34,314	54,57,122
(e) Other non-current assets	6	49,30,601	45,64,807
Total non-current assets		**7,67,25,962**	**8,23,78,950**
Current assets			
(a) Inventories	7	12,49,57,512	19,17,38,119
(b) Financial assets			
(i) Trade receivables	8	18,46,41,191	19,33,24,623
(ii) Cash and cash equivalents	9	1,09,94,396	27,06,180
(iii) Bank balances other than above	10	13,94,664	13,04,844
(iv) Others financial assets	11	7,32,071	7,58,143
(c) Current tax assets (Net)		7,00,436	6,36,381
(d) Other current assets	12	24,05,006	56,40,406
Total current assets		**32,58,25,274**	**39,61,08,695**
Total assets		**40,25,51,236**	**47,84,87,644**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,78,33,300	2,78,33,300
(b) Other equity	14	13,91,82,904	13,18,33,063
Total equity		**16,70,16,204**	**15,96,66,363**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	5,19,84,932	3,49,87,896
(b) Provisions	16	7,25,185	5,87,562
(c) Deferred tax liabilities (Net)	17	45,65,089	43,69,556
Total non-current liabilities		**5,72,75,206**	**3,99,45,014**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	9,63,84,479	16,25,05,309
(ii) Trade payables		4,02,54,158	6,84,18,852
(iii) Other financial liabilities	19	2,30,06,242	45,30,406
(b) Other current liabilities	20	1,78,18,342	4,04,35,235
(c) Provisions	21	7,96,606	29,86,465
Total current liabilities		**17,82,59,827**	**27,88,76,267**
Total equity and liabilities		**40,25,51,236**	**47,84,87,644**

See accompanying notes forming part of the financial statements.

As per our report of even date
For **Aditya Falor & Associates**
Chartered Accountants
Firm Registration No.: 127273W

ADITYA FALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

Aditya G. Falor
Proprietor
Membership No. 122487

Date: June 30, 2021
Place: Nanded

For and on behalf of the Board

Madhusudan P. Kalantri
Director

Shashikant R. Puramwar
Director

GHATPRABHA FERTILIZERS PRIVATE LIMITED, NANDED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

	Particulars	Note No.	March 31, 2021	March 31, 2020
	Incomes:			
I.	Revenue from operations	22	59,39,13,597	50,17,24,782
II.	Other income	23	30,99,742	(1,63,316)
	Total income		**59,70,13,339**	**50,15,61,466**
III.	**Expenses:**			
	Cost of materials consumed	24	28,33,52,660	32,87,53,340
	Purchases of stock-in-trade	25	22,54,38,193	9,28,19,186
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(1,01,65,720)	(66,21,363)
	Employee benefits expense	27	1,74,48,419	1,38,06,111
	Finance costs	28	1,71,40,944	1,91,47,118
	Depreciation and amortization expense	29	60,58,626	52,23,066
	Other expenses	30	4,80,83,519	3,94,67,874
	Total expenses		**58,73,56,640**	**49,25,95,332**
IV.	**Profit before tax**		**96,56,698**	**89,66,134**
V.	**Tax expense:**			
	(1) Provision made earlier			
	(1) Current tax		21,88,156	18,37,264
	(2) Deferred tax		2,14,870	65,582
	(3) Income tax relating to earlier years		-	18,230
VI.	**Profit for the year**		**72,53,672**	**70,45,058**
VII.	**Other comprehensive income**			
	[A] (i) Items that will not be reclassified to profit & loss			
	Remeasurements of the defined benefit plan		76,832	(1,22,078)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		19,337	31,565
	[B] (i) Items that will be reclassified to profit & loss		-	-
	Total other comprehensive income		**96,169**	**(90,513)**
	Total comprehensive income for the year		**73,49,841**	**69,54,545**
IX.	**Basic and diluted earnings per equity share**	31	**26.06**	**25.31**

See accompanying notes forming part of the financial statements.

As per our report of even date
For **Aditya Falor & Associates**
Chartered Accountants
Firm Registration No.: 127273W

Aditya G. Falor
Proprietor
Membership No. 122487

ADITYA FALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

Date: June 30, 2021
Place: Nanded

For and on behalf of the Board

Madhusudan P. Kalantri
Director

Shashikant R. Puramwar
Director

GHATPRABHA FERTILIZERS PRIVATE LIMITED, NANDED

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

	Particulars	March 31, 2021	March 31, 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	96,56,698	89,66,134
	Adjustments for:		
	Interest Paid	1,71,40,944	1,91,47,118
	Remeasurement of defined benefit plan	76,832	(1,22,078)
	Profit / Loss on sale of assets	(1,00,256)	8,40,477
	Depreciation & amortization	60,58,626	52,23,066
	Profit on redemption of mutual funds	-	-
	Interest received	(7,44,400)	(6,57,008)
	Net foreign exchange gain/(loss)	-	(20,153)
	Other non-operating income	(22,55,086)	-
	Operating profit before working capital changes	**2,98,33,358**	**3,33,77,556**
	Changes in working capital:		
	Trade and other receivables	1,13,12,098	(7,58,83,672)
	Inventories	6,67,80,606	(32,42,741)
	Trade payables and other liabilities	(5,24,48,628)	5,12,50,229
	Cash generated from operations	5,54,77,434	55,01,372
	Current tax paid	(22,52,211)	(22,19,180)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**5,32,25,224**	**32,82,192**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	-	(2,59,10,307)
	Interest received	7,44,400	6,57,008
	Other non-operating income	22,55,086	20,153
	Sale of fixed assets	2,37,603	6,10,565
	Investment in capital WIP	-	(2,00,000)
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**32,37,090**	**(2,48,22,581)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(repayment) from long-term borrowings	3,99,65,256	(1,03,646)
	Proceeds/(repayment) from short-term borrowings	(6,61,20,830)	4,48,68,104
	Repayment of unsecured loans	(48,77,579)	(33,50,000)
	Interest paid	**(1,71,40,944)**	(1,91,47,118)
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**(4,81,74,097)**	**2,22,67,340**
D	**Net Increase in cash and cash equivalents (A+B+C)**	**82,88,216**	**7,26,951**
E	Cash and cash equivalents at the beginning of the year	27,06,180	19,79,228
F	**Cash and cash equivalents at the end of the year (D+E)**	**1,09,94,396**	**27,06,180**

Note:

Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

As per our report of even date
For **Aditya Falor & Associates**
Chartered Accountants
Firm Registration No.: 127273W

ADITYA FALOR & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 122487 NANDED

Aditya G. Falor
Proprietor
Membership No. 122487

Date: June 30, 2021
Place: Nanded

For and on behalf of the Board

Madhusudan P. Kalantri
Director

Shashikant R. Puramwar
Director

GHATPRABHA FERTILIZERS PRIVATE LIMITED, NANDED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity Share Capital

	Number of Shares	Amount in Rs.
Balance as at April 01, 2019	2,78,333	2,78,33,300
Changes in equity share capital during the year 2019-20	-	-
Balance as at March 31, 2020	**2,78,333**	**2,78,33,300**
Balance as at April 01, 2020	2,78,333	2,78,33,300
Changes in equity share capital during the year 2020-21	-	-
Balance as at March 31, 2021	**2,78,333**	**2,78,33,300**

b. Other Equity

(Amount in Rs.)

PARTICULARS	RESERVES & SURPLUS			Items of other comprehensive income	Total
	Securities premium	General reserve	Retained earnings	Remeasurements of the defined benefit plan	
Balance as on April 01, 2019	**1,66,66,700**	**60,00,000**	**10,21,37,063**	**74,755**	**12,48,78,518**
Profit for the period	-	-	70,45,058	-	70,45,058
Other Comprehensive income for the year, net of income tax				(90,513)	(90,513)
Total comprehensive income for the year	**1,66,66,700**	**60,00,000**	**10,91,82,121**	**(15,758)**	**13,18,33,063**
Transfer to General Reserve	-	5,00,000	(5,00,000)	-	-
Balance as on March 31, 2020	**1,66,66,700**	**65,00,000**	**10,86,82,121**	**(15,758)**	**13,18,33,063**
Balance as on April 01, 2020	**1,66,66,700**	**65,00,000**	**10,86,82,121**	**(15,758)**	**13,18,33,063**
Profit for the period	-	-	72,53,672		72,53,672
Other Comprehensive income for the year, net of income tax	-	-	-	96,169	96,169
Total comprehensive income for the year	**1,66,66,700**	**65,00,000**	**11,59,35,793**	**80,411**	**13,91,82,904**
Transfer to General Reserve	-	5,00,000	(5,00,000)		-
Balance as on March 31, 2021	**1,66,66,700**	**70,00,000**	**11,54,35,793**	**80,411**	**13,91,82,904**

As per our report of even date
For **Aditya Falor & Associates**
Chartered Accountants
FRN: 127273W

ADITYA FALOR & ASSOCIATES M.No. 122487 NANDED CHARTERED ACCOUNTANTS

Aditya G. Falor
Proprietor
Membership No. 122487

Date: June 30, 2021
Place: Nanded

For and on behalf of the Board

Madhusudan P. Kalantri
Director

Shashikant R. Puramwar
Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

COMPANY INFORMATION

Ghatprabha Fertilizers Private Limited, having registered office in Nanded, Maharashtra, India, incorporated under provisions of the Companies Act, 2013. The Company is private limited company. It is engaged in manufacturing and trading of fertilizers.

The company is a subsidiary company of Shiva Global Agro Industries limited, a public limited company, listed on the Bombay Stock Exchange Limited.

The financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 30, 2021.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:

1.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable.

1.2 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, and on accrual basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, a number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.
Fair value categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Based on the nature of activities of the Company and the average time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.3 NON CURRENT ASSETS HELD FOR SALE:

Assets held for sale are measured at the lower of the carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes the use of management estimates and assumptions. The fair value of the asset held for sale has been estimated using valuation techniques (mainly income and market approach), which includes unobservable inputs.

1.4 FUNCTIONAL AND PRESENTATION CURRENCY:

The financial statements have been prepared and presented using Indian Rupees (Rs.) which is company's functional and presentation currency.

1.5 USE OF ESTIMATES:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent liabilities at that date of the financial statements and the reported amounts of revenues and expenses during the year.

Application of accounting policies that require complex and subjective judgements and the use of assumptions in these financial statements are disclosed below:

1. Recognition of revenue
2. Recognition of Deferred tax liability
3. Measurement of defined benefit obligation: key actuarial assumptions.
4. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
5. Estimation of useful life of property, plant and equipments and intangible assets
6. Estimation of current tax expenses and payable.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods and, if material, their effects are disclosed in the notes to financial statements.

1.6 PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION:

i) Recognition & Measurement:

Property, Plant & Equipment are stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and impairment losses, if any. Cost comprises of the acquisition price/construction cost, including any non-refundable taxes or levies, cost of borrowings till the date of capitalization in the case of assets involving material investment and substantial lead time and any directly attributable expenditure incurred in bringing the asset to its working condition for the intended use by management. Further any trade discounts and rebates are deducted. Property, plant and equipment not ready for intended use as on the date of balance sheet are disclosed as "Capital work-in-progress" at cost less impairment losses, if any.

ii) Subsequent recognition:

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future economic benefits from the existing assets beyong its previously assessed standard of performance and such costs of the item can be measured reliably.

iii) Depreciation:

Property, plant & equipment, other than Land, are depreciated on a pro-rata basis on the Straight-Line method as per the estimated useful life specified in Schedule II of the Companies Act, 2013 effective from 01st April, 2014.

iv) Derecognition:

An item of property, plant and equipment is derecognized either when they have been disposed of or when no future economic benefit is expected to arise from the continued use of the asset. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the year of de-recognition.

1.7 INVESTMENT PROPERTIES

i) Recognition:

Property that is held for long-term rental yields or for capital appreciation, or both and that is not occupied by the Company is classified as Investment Property. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use by management. Any trade discount, rebate are deducted in arriving at the purchase price. All repairs and maintenance costs are recognized in statement of Profit and Loss Account as incurred.

ii) Subsequent Recognition :

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

iii) Depreciation :

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per the estimated useful lives, prescribed in schedule II to the Companies Act, 2013, effective from 01st April, 2014.

iv) De-recognition :

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the year of de-recognition**.**

1.8 INTANGIBLE ASSETS:

i) Recognition & Measurement:

Intangible Assets are stated at acquisition cost and other costs incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and impairment losses, if any.

ii) Subsequent recognition:

Expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the entity and such costs can be measured reliably. All other expenditure shall be recognized in profit or loss as incurred.

iii) Amortization:

Intangible Assets are amortized on the basis of Straight-Line method. Specified software purchased is amortized over their estimated useful lives.

iv) Derecognition:

An intangible asset is derecognized either when they have been disposed of or when no future economic benefit is expected to arise from the continued use of the asset. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the year of de-recognition**.**

1.9 IMPAIRMENT:

The carrying amount of Property, plant & equipment, Investment properties and Intangible assets are reviewed at each balance sheet date to assess impairment if any, based on internal/external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired.

1.10 LEASES

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

Other leases are treated as operating leases, with payments are recognized as expense in the statement of profit & loss on a straight-line basis over the lease term.

1.11 FINANCIAL INSTRUMENTS:

i) Recognition & Initial Measurement:

a. Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instruments.

b. The company measures a financial asset or financial liability at its fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

ii) Financial assets – Classification:

On initial recognition, a financial asset is classified as, measured at

1. Amortised cost;
2. Fair value through other comprehensive income (FVOCI) - debt instrument;
3. Fair value through other comprehensive income (FVOCI) - equity instrument;
4. Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

1. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. 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.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

1. The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and for sale; and
2. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise from recognizing them as measured at amortized cost or at FVOCI.

iii) Financial assets - Subsequent measurement

1) <u>Financial assets at amortized cost:</u>

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Any gain or loss on derecognition is recognized in profit or loss.

2) <u>Financial assets measured at FVTOCI- Debt investments:</u>

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign gains and losses and impairment are recognized in profit or loss. Other net gains or losses are recognized in OCI.
On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3) <u>Financial assets measured at FVTOCI- Equity investments:</u>

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of cost the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to profit or loss.
The company has elected to recognize changes in the fair value of certain equity securities in OCI. These changes are accumulated within FVOCI equity investment reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

4) <u>Financial assets at FVTPL</u>:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

5) <u>Financial Assets – Impairment :</u>

The Company assesses on a forward looking basis “expected credit loss” (ECL) associated with its assets carried at amortized cost and FVOCI debt instruments. The company recognizes loss allowance for expected credit losses on financial assets.
For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized form initial recognition of the receivables.

6) <u>Financial assets - Derecognition</u>

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which subsequently all of the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transaction whereby it transfers asset recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

7) <u>Financial liabilities - Classification</u>

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

8) <u>Financial liabilities - Subsequent measurement</u>

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.
Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

9) **Financial liabilities - Derecognition**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its term are modified and the cash flows under the modified terms are substantially different, where a new financial liability based on the modified terms is recognized at fair value. Any gain or loss on derecognition in these cases, shall be recognized in profit or loss.

10) **Offsetting**

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.12 INVENTORIES:

Inventories are valued at the lower of Cost and Net Realisable Value.

The Cost is determined as follows:

a) Raw materials and Store and Spares: cost includes cost of purchase including non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) method.
b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average method.
c) Traded goods: cost includes cost of purchase including non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) method.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale

1.13 CASH & CASH EQUIVALENTS:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to 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 consists of balances with banks which are unrestricted for withdrawal and usage.

1.14 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

i) Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

ii) If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

iii) Contingent liabilities disclosed for

a. A possible obligation that arises from the past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

iv) Contingent assets are neither recognized nor disclosed in the financial statements.

1.15 EMPLOYEES BENEFITS:

i) Short-term Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

ii) Post Employment Benefits:

1. Defined Contribution Plan:

Company's contributions paid/ payable during the year towards provident fund, pension scheme and employees' state insurance ('ESI') scheme are recognized in the statement of profit and loss.

2. Defined Benefit plan:

Company's liability towards gratuity in accordance with the Payment of Gratuity Act, 1972 is determined based on actuarial valuation using the Projected Unit Credit Method (PUCM) as at the reporting date.

All actuarial gains/losses in respect of post employment benefits and other long term employee benefits are charged to Other Comprehensive Income.

1.16 REVENUE RECOGNITION:

a) The Company derives revenues primarily from manufacturing & trading of Fertilizers and trading in other agricultural products.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts. Revenue is recognized on the basis of despatches in accordance with the terms of sale when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

Revenue is also recognized on sale of goods in case where the delivery is kept pending at the instance of the customer, as the performance obligation has been satisfied and control are transferred and customer takes title and accepts billing as per usual payment terms.

b) Income from services rendered is recognized based on the agreements/arrangements with the concerned parties and when services are rendered by measuring progress towards satisfaction of performance obligation for such services.

1.17 OTHER INCOME:

i) Dividend income from investments is recognized when right to receive is established.
ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and transactional interest rate applicable.

1.18 BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

1.19 FOREIGN CURRENCY TRANSACTIONS:

i) Initial Recognition
Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions.

ii) Subsequent Recognition
Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction.
Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss

1.20 EXCEPTIONAL ITEM:

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as ‘Exceptional item’.

1.21 INCOME TAX:

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to other comprehensive income.

i) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right

to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose. Deferred tax is recognized in respect of carried forward losses and tax credits. Deferred tax also not recognized for temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of transaction.

Deferred tax assets and liabilities are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

1.22 EARNINGS PER SHARE:

Basic earnings per shares has been calculated by dividing profit for the year attributable to equity shares holders by the weighted average number of equity shares outstanding during the financial year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per shares are the same.

Notes forming part of the financial statements

Note 2: Property, plant and equipment (Amount in Rs.)

Particulars	Gross Block (At Deemed Cost)				Depreciation				Net Block	
	As on 01-04-2020	Additions	Deletions	Total as on 31-03-2021	As to 01-04-2020	For the year	Deletions	Total As on 31-03-2021	As on 31-03-2021	As on 31-03-2020
Owned Assets:										
Land	6,00,475	-	-	6,00,475	-	-	-	-	6,00,475	6,00,475
Building	3,10,11,913	-	-	3,10,11,913	37,01,812	14,43,637	-	51,45,449	2,58,66,464	2,73,10,101
Plant & Equipment	3,55,29,226	-	-	3,55,29,226	48,72,158	23,16,694	-	71,88,852	2,83,40,374	3,06,57,068
Electrical Machinery	65,01,838	-	-	65,01,838	22,35,372	6,52,749	-	28,88,121	36,13,717	42,66,466
Lab Equipment	7,03,788	-	-	7,03,788	27,313	65,550	-	92,863	6,10,925	6,76,475
Furniture & Fixtures	7,04,897	-	-	7,04,897	5,30,714	38,555	-	5,69,269	1,35,628	1,74,183
Vehicles	99,13,296	-	10,27,883	88,85,413	37,07,707	12,94,245	(8,90,534)	41,11,417	47,73,996	62,05,589
Office Equipments	17,18,094	-	-	17,18,094	11,94,734	1,56,020	-	13,50,754	3,67,340	5,23,360
Computer	3,88,207	-	-	3,88,207	3,19,874	24,516	-	3,44,390	43,817	68,333
Total	**8,70,71,735**	**-**	**10,27,883**	**8,60,43,852**	**1,65,89,684**	**59,91,966**	**(8,90,534)**	**2,16,91,115**	**6,43,52,736**	**7,04,82,051**

Particulars	Gross Block (At Deemed Cost)				Depreciation				Net Block	
	As on 01-04-2019	Additions	Deletions	Total as on 31-03-2020	As to 01-04-2019	For the year	Deletions	Total As on 31-03-2020	As on 31-03-2020	As on 31-03-2019
Owned Assets:										
Land	6,00,475	-	-	6,00,475	-	-	-	-	6,00,475	6,00,475
Building	2,63,09,318	66,19,827	19,17,232	3,10,11,913	33,73,104	12,07,439	(8,78,731)	37,01,812	2,73,10,101	2,29,36,214
Plant & Equipment	1,69,58,768	1,85,70,458	-	3,55,29,226	29,71,112	19,01,046	-	48,72,158	3,06,57,068	1,39,87,656
Electrical Machinery	47,59,727	17,42,111	-	65,01,838	16,22,667	6,12,705	-	22,35,372	42,66,466	31,37,060
Lab Equipment	13,788	6,90,000	-	7,03,788	-	27,313	-	27,313	6,76,475	13,788
Furniture & Fixtures	6,14,999	89,898	-	7,04,897	4,59,272	71,442	-	5,30,714	1,74,183	1,55,727
Vehicles	87,51,151	29,48,379	17,86,234	99,13,296	39,29,483	11,51,917	(13,73,693)	37,07,707	62,05,589	48,21,668
Office Equipments	15,58,223	1,59,871	-	17,18,094	9,77,405	2,17,329	-	11,94,734	5,23,360	5,80,818
Computer	2,88,207	1,00,000	-	3,88,207	2,86,000	33,874	-	3,19,874	68,333	2,207
Total	**5,98,54,656**	**3,09,20,545**	**37,03,466**	**8,70,71,735**	**1,36,19,043**	**52,23,066**	**(22,52,425)**	**1,65,89,684**	**7,04,82,051**	**4,62,35,613**

Note 2.1: Refer Note 18.1 for details of assets pledged.

Note 3: Investment property (Amount in Rs.)

Particulars	Gross Block (At Deemed Cost)				Depreciation				Net Block	
	As on 01-04-2020	Additions	Deletions	Total as on 31-03-2021	As to 01-04-2020	For the year	Deletions	Total As on 31-03-2021	As on 31-03-2021	As on 31-03-2020
Owned Assets:										
Land (Freehold)	16,74,970	-	-	16,74,970	-	-	-	-	16,74,970	16,74,970
Total	**16,74,970**	**-**	**-**	**16,74,970**	**-**	**-**	**-**	**-**	**16,74,970**	**16,74,970**

Particulars	Gross Block (At Deemed Cost)				Depreciation				Net Block	
	As on 01-04-2019	Additions	Deletions	Total as on 31-03-2020	As to 01-04-2019	For the year	Deletions	Total As on 31-03-2020	As on 31-03-2020	As on 31-03-2019
Owned Assets:										
Land (Freehold)	16,74,970	-	-	16,74,970	-	-	-	-	16,74,970	16,74,970
Total	**16,74,970**	**-**	**-**	**16,74,970**	**-**	**-**	**-**	**-**	**16,74,970**	**16,74,970**

3.1 The Company’s investment properties consist of Agricultural land located at Ubbarwadi Taluka Dist. Belgaun Karnataka.

3.2 Company undertakes expenditure towards Maintenance for upkeep of its properties which also covers the portion relating to Investment Property. The same being not material no separate disclosure of contracts entered into for maintainance of investment property is given.

3.3 As at March 31, 2021, the fair values of the properties is Rs.65.31 Lacs (P.Y. Rs.65.31 Lacs). These valuations are based on government stamp duty valuations and has been worked out by the management based on the information and a study of the micro market in discussions with industry experts, local brokers and regional developers.

3.5 Fair value disclosures for investment properties is detailed below

Reconciliation of Fairvalue	**31-03-2021**	**31-03-2020**
Land		
Opening Balance	65,31,250	65,31,250
Fair Value	65,31,250	65,31,250
Fair Value difference	-	-
Closing Balance	65,31,250	65,31,250

3.6 Refer note no.18.1 for details of the assets pledged.

Note 4 : Other intangible assets

(Amount in Rs.)

Particulars	Gross Block (At Deemed Cost)				Amortization				Net Block	
	As on 01-04-2020	Additions	Deletions	Total as on 31-03-2021	As to 01-04-2020	For the year	Deletions	Total As on 31-03-2021	As on 31-03-2021	As on 01-04-2020
Owned Assets: Computer Software	64,237	2,00,000	-	2,64,237	64,237	66,660	-	1,30,897	1,33,340	-
Total	**64,237**	**2,00,000**	**-**	**2,64,237**	**64,237**	**66,660**	**-**	**1,30,897**	**1,33,340**	**-**

Particulars	Gross Block (At Deemed Cost)				Amortzation				Net Block	
	As on 01-04-2019	Additions	Deletions	Total as on 31-03-2020	As to 01-04-2019	For the year	Deletions	Total As on 31-03-2020	As on 31-03-2020	As on 31-03-2019
Owned Assets: Computer Software	64,237	-	-	64,237	35,684	28,553	-	64,237	-	28,553
Total	**64,237**	**-**	**-**	**64,237**	**35,684**	**28,553**	**-**	**64,237**	**-**	**28,553**

Notes forming part of the financial statements

5 Other Finanacial Assets

(Amount in Rs.)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Fixed deposits held as margin money	36,76,344	36,73,447
Fixed deposits with maturity more than 12 months	19,57,970	17,83,675
	56,34,314	**54,57,122**

6 Other non-current assets

(Amount in Rs.)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Unsecured, Considered Good		
Advances other than Capital Advances		
Dealership Deposits	31,65,692	30,18,375
Others		
Interest Accrued but not due on deposits	7,41,455	5,22,978
Others	10,23,454	10,23,454
Total	**49,30,601**	**45,64,807**

7 Inventories

(Amount in Rs.)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Raw Material	5,70,36,465	12,57,06,281
Finished Goods	3,52,78,657	4,28,13,306
Stock of trading goods	1,87,94,761	10,94,392
Stores and Packing Materials	1,38,47,629	2,21,24,140
Total	**12,49,57,512**	**19,17,38,119**

Note 7.1 : Refer Note No. 18.1 for details of the assets pledged.

8 Trade receivables

(Amount in Rs.)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Unsecured, Considered Good		
From Related Parties	1,88,31,269	1,29,69,394
Form Others	16,58,09,922	18,03,55,229
Total	**18,46,41,191**	**19,33,24,623**

9 Cash and cash equivalents (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks	1,06,51,615	21,78,664
Cash on hand	3,42,780	5,27,516
Total	**1,09,94,396**	**27,06,180**

10 Bank balances other than above

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks under deposit account	13,94,664	13,04,844
	13,94,664	**13,04,844**

11 Other current financial assets (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Other advances		
Staff imprest and advances	7,32,071	7,58,143
Total	**7,32,071**	**7,58,143**

12 Other current assets (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	3,54,674	3,86,493
Advances to suppliers and others	16,99,164	15,63,790
GST receivable	3,51,168	14,03,798
Gold	-	22,86,325
Total	**24,05,006**	**56,40,406**

Notes forming part of the financial statements

13 Equity share capital (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
5,00,000 (2020: 5,00,000) equity shares of Rs.100/- each	5,00,00,000	5,00,00,000
Issued , Subscribed & Fully Paid Up :		
2,78,333 (2020: 2,78,333) fully paid equity shares of Rs. 100/- each	2,78,33,300	2,78,33,300
Total	**2,78,33,300**	**2,78,33,300**

13.1 Reconciliation of the number of equity shares (Amount in Rs.)

Particulars	Number of	Amount
Balance as at April 01, 2019	2,78,333	2,78,33,300
No. of shares issued During the year 2019 - 20	-	-
Balance as at March 31, 2020	2,78,333	2,78,33,300
Balance as at April 01, 2020	2,78,333	2,78,33,300
No. of shares issued During the year 2020 - 21	-	-
Balance as at March 31, 2021	**2,78,333**	**2,78,33,300**

13.2 Rights, preferences and restrictions relating to each class of share capital

The company has one class of share referred to as Equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.3 Equity shares held by holding company

Particulars	As at March 31, 2021	As at March 31, 2020
Shiva Global Agro Industries Limited	1,71,250	1,71,250

13.4 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Equity Shares	% holding in the class	No. of Equity Shares	% holding in the class
Shiva Global Agro Industries Limited	1,71,250	61.53%	1,71,250	61.53%
Shashikant Rajaram Puramwar	36,858	13.24%	36,858	13.24%
Shivshankar Rajaram Puramwar	19,725	7.09%	19,725	7.09%

14 Other equity (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium	1,66,66,700	1,66,66,700
General reserve	70,00,000	65,00,000
Retained earnings	11,54,35,793	10,86,82,121
Remeasurements of the defined benefit plan	80,411	(15,758)
Total	**13,91,82,904**	**13,18,33,063**

15 Non-current financial liabilities - Borrowings (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured- at amortised cost		
Term Loan from Banks	2,22,74,437	3,99,822
Unsecured- at amortised cost		
Loans		
From Related Parties	1,22,27,088	1,46,04,666
From Directors	20,84,794	20,84,794
Others	1,53,98,613	1,78,98,614
Total	**5,19,84,932**	**3,49,87,896**

15.1 Nature of security and terms of repayment of secured borrowing

Nature of security	Terms of repayment
2020-2021	
Term Loan (Covid-19 Scheme) of Rs.1,35,44,437/- from Union Bank of India is Secured by Hypothecation of stock and debtors.	Repayable in 18 equal monthly installments of Rs.10 Lacs each from November 2020 and ending on April 2022 along with interest at the rate of 8.00% per annum.
Term Loan (UGECL Scheme) of Rs.2,70,00,000/- from Union Bank of India is Secured by Hypothecation of stock and debtors.	Repayable in 36 equal monthly installments of Rs.7.50 Lacs each from July 2021 and ending on June 2024 along with interest at the rate of 7.50% per annum.
2019 - 20	
Term Loan of Rs.5,79,181/- from Canara Bank (Formerly known as Syndicate Bank) is secured by first charge on respective vehicle against which the loan is obtained.	Repayable in 59 equal monthly installments from February, 2019 and ending on December, 2023 along with interest at the rate of 9.50% per annum

15.2 Terms of repayment of unsecured borrowing

Unsecured loans carry interest rate of 10% per annum and are repayable after a period of 4 years from the date of loan and the parties have a right to renew the agreement.

16 Non-current provisions (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits - Gratuity payable	7,25,185	5,87,562
Total	**7,25,185**	**5,87,562**

17 Deferred tax liabilities (Net) (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	47,95,415	45,18,729
Statutory dues allowable on payment basis (Gratuity)	(2,05,689)	(1,43,873)
Defined benefit plans (Gratuity OCI)	(24,637)	(5,300)
Deferred tax liability (Net)	**45,65,089**	**43,69,556**

17.1 Movement in above mentioned deferred tax assets and liabilities: (Amount in Rs.)

Particulars	Opening balance as on 01/04/2020	Recognized in profit or loss	Recognized in OCI	Closing balance as on 31/03/2021
Property, plant and equipment	45,18,729	2,76,686		47,95,415
Statutory dues allowable on payment basis	(1,43,873)	(61,816)		(2,05,689)
Defined benefit plans	(5,300)	-	(19,337)	(24,637)
Total	**43,69,556**	**2,14,870**	**(19,337)**	**45,65,089**

Particulars	Opening balance as on 01/04/2019	Recognized in profit or loss	Recognized in OCI	Closing balance as on 31/03/2020
Property, plant and equipment	44,15,802	1,02,927		45,18,729
Statutory dues allowable on payment basis	(1,06,528)	(37,345)		(1,43,873)
Defined benefit plans	26,265		(31,565)	(5,300)
Total	**43,35,539**	**65,582**	**(31,565)**	**43,69,556**

17.2 Income tax credit/(expense) recognized directly in equity (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect on actuarial gains/losses on defined benefit obligations	19,337	31,565
Total	**19,337**	**31,565**

17.3 Reconciliation of tax expense to the accounting profit is as follows: (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Accounting profit before tax	96,56,698	89,66,134
Tax expense at statutory tax rate of 25.168% (P.Y. 25.168%)	24,30,398	22,56,597
Adjustments:		
Effect of expenses that are not deductible in determining taxable profit	17,481	2,14,933
Tax Effects of amounts which are deductible in calculating taxable income	(44,853)	(4,95,190)
Effect of change in tax rate	-	(73,493)
Total	**24,03,026**	**19,02,846**

18 Current financial liabilities - Borrowings (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured- at amortised cost		
Loan repayable on demand from banks	9,63,84,479	16,25,05,309
Total	**9,63,84,479**	**16,25,05,309**

18.1 Nature of Security for Working Capital Loan

Working Capital loan from bank is secured by first pari-passu charge by way of hypothecation of the inventories, book debts, bills for collection present and future and on the entire fixed assets and fixed deposit of the Company by way of mortgage and hypothecation in respect of those assets which are first charged to lender. Further, the loan is guaranteed by the personal guarantee of all the directors of the Company except independent directors. The loan carries interest at the rate of MCLR + 1.85% and present MCLR is 8.20%.

18.2 There is no breach of loan agreement.

19 Other current financial liabilities (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities carried at amortised cost		
Dealership deposit	44,38,000	42,48,000
Advance from staff	2,98,242	1,03,047
Current maturities of long-term debt	1,82,70,000	1,79,359
Total	**2,30,06,242**	**45,30,406**

20 Other current liabilities (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	1,42,43,750	4,03,77,778
Statutory dues	74,592	57,457
Others : Advance against sale of land	35,00,000	0
Total	**1,78,18,342**	**4,04,35,235**

21 Current provisions (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Employees benefits	1,42,815	1,25,323
Expenses	6,53,791	28,61,142
Total	**7,96,606**	**29,86,465**

22 Revenue from Operations (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Sale of products		
Finished goods	38,86,99,295	38,60,10,157
Traded goods	20,49,77,628	11,53,54,913
Other operating revenues		
Sale of packing material	2,36,674	3,59,713
Total	**59,39,13,597**	**50,17,24,782**

22.1 Particulars of sales

a Finished Goods (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Fertilizers	32,16,52,999	33,62,60,275
Soil Conditioner	6,70,46,296	4,97,49,882
Total	**38,86,99,295**	**38,60,10,157**

b Traded Goods (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Fertilizers	20,49,77,628	11,53,54,913
Total	**20,49,77,628**	**11,53,54,913**

23 Other income (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Interest income	7,44,400	6,57,008
Profit/ (Loss) on Sale of Assets	1,00,256	(8,40,477)
Net foreign exchange (gain)/loss		20,153
Other non-operating income	22,55,086	-
Total	**30,99,742**	**(1,63,316)**

24 Cost of materials consumed (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Raw material consumed		
Inventory at the beginning of the year	12,57,06,281	13,52,94,904
Add: Purchases	20,27,39,616	30,73,85,495
Less: Inventory at the end of the year	5,70,36,465	12,57,06,281
Cost of raw materials consumed	**27,14,09,433**	**31,69,74,118**
Packing material consumed		
Inventory at the beginning of the year	68,72,649	90,23,286
Add: Purchases	1,12,89,811	96,28,585
Less: Inventory at the end of the year	62,19,232	68,72,649
Cost of packing materials consumed	**1,19,43,227**	**1,17,79,222**
Total	**28,33,52,660**	**32,87,53,340**

24.1 Particulars of consumption

a Raw material

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Fertilizers	24,33,75,820	30,24,57,979
MgSO4	2,80,33,612	1,45,16,139
Total	**27,14,09,433**	**31,69,74,118**

b Packing material

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
HDPE bags	1,19,43,227	1,17,79,222
Total	**1,19,43,227**	**1,17,79,222**

25 Purchases of stock-in-trade

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Fertilizers	22,54,36,892	9,28,04,367
HDPE Bags	1,301	14,819
Total	**22,54,38,193**	**9,28,19,186**

(Amount in Rs.)

26 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year		
Finished goods	4,28,13,306	3,43,52,304
Trading goods	10,94,392	29,34,032
Less: Inventory at the end of the year		
Finished goods	3,52,78,657	4,28,13,306
Trading goods	1,87,94,761	10,94,392
Total	**-1,01,65,720**	**-66,21,363**

26.1 Particulars of inventory

Finished goods:

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Fertilizers	3,52,78,657	4,28,13,306
Total	**3,52,78,657**	**4,28,13,306**

27 Employee benefits expense

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	1,61,45,719	1,21,29,480
Contribution to provident and other funds	7,05,515	7,72,814
Staff welfare expenses	5,97,185	9,03,817
Total	**1,74,48,419**	**1,38,06,111**

28 Finance costs

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Interest expenses	1,66,22,329	1,78,18,584
Other borrowing costs	5,18,615	13,28,534
Total	**1,71,40,944**	**1,91,47,118**

29 Depreciation and amortization expense (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment (Refer Note 2)	59,91,966	52,23,066
Amortisation on intangible assets (Refer Note 4)	66,660.00	-
Total	**60,58,626**	**52,23,066**

30 Other expenses (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Stores and spares consumed	34,44,040	24,07,321
Power and fuel	2,12,43,501	93,43,171
Rent	2,12,330	1,08,000
Repairs to General	-	68,450.00
Repairs to machinery	3,54,332	1,21,986
Insurance	3,08,974	2,09,222
Rates and taxes	5,98,032	7,56,791
Loss on sale/disposal of Assets	-	
Freight and transportation	1,82,55,215	2,15,00,230
Miscellaneous expenses	36,67,094	49,52,703
Total	**4,80,83,519**	**3,94,67,874**

30.1 Details of Payment to Auditors (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Audit fees	1,00,000	1,00,000
Certification fees	25,000	25,000
Company law matters	25,000	25,000
Total	**1,50,000**	**1,50,000**

31 Earnings per share (Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
a. Profit after Tax as per the Statement of Profit & Loss attributable to equity shareholders	72,53,672	70,45,058
b. Weighted average number of equity shares outstanding	2,78,333	2,78,333
c. Basic & Diluted earnings per share in rupee (Face value Rs.100 per share)	26.06	25.31

32 Micro, small and medium enterprises:

There are no dues outstanding to Micro, Small and Medium Enterprises beyond the due date as at the Balance Sheet date. The above information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

33 RELATED PARTY DISCLOSURES

Names of related parties and nature of related parties relationship where control exists.

Holding Company

i) Shiva Global Agro Industries Limited

Fellow Subsidiaries

i) Shrinivasa Agro Foods Private Limited

ii) Shiva-Parvati Poultry Feed Private Limited

Key Management Personnel

i) Madhusudan P. Kalantri

ii) Shashikant R. Puramwar

Key Management Personnel of Parent

i) Omprakash K. Gilda

ii) Deepak S. Maliwal

iii) Umesh O. Bang

iv) Rashmi G. Agrawal

Relatives of Key Management Personnel

i) Preeti M. Kalantri

ii) Narayanlal P. Kalantri HUF

iii) Madhusudan P. Kalantri HUF

iv) Ravikumar N. Kalantri HUF

v) Sarojdevi N. Kalantri

vi) Pooja M. Kalantri

vii) Rajkumar M. Kalantri

viii) Ravikumar N. Kalantri

Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company:

i) Kailash Fertilizers

ii) Nature Organics

33.1 Transactions during the year:

(Amount in Rs.)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
1 Purchase of Goods		
Parent Company:		
Shiva Global Agro Industries Limited	14,62,848	2,01,30,383
Enterprises owned or significantly influenced by group of individuals or their relatives:		
Nature Organic	65,81,652	40,62,551
	80,44,500	**2,41,92,934**
2 Sale of Goods		
Parent Company:		
Shiva Global Agro Industries Limited	26,18,159	-
Enterprises owned or significantly influenced by group of individuals or their relatives		
Nature Organic Maharashtra	3,11,58,297	68,88,491
	3,37,76,456	**68,88,491**
3 Loan Repaid		
Key Management Personnel		
Madhusudhan P. Kalantri	2,08,479	2,09,051
Relatives of Key Management Personnel		
Preeti M. Kalantri	19,51,549	1,83,411
Narayanlal P. Kalantri HUF	3,78,392	7,08,278
Madhusudan P. Kalantri HUF	2,79,640	6,09,256
Ravikumar N. Kalantri HUF	1,42,358	1,42,748
Ravikumar N. Kalantri	4,09,417	75,637
Sarojdevi N. Kalantri	2,30,588	2,31,219
Pooja M. Kalantri	1,22,018	1,22,352
Rajkumar M. Kalantri	28,546	28,623
	37,50,987	**23,10,575**

4 Interest Paid		
Key Management Personnel		
Madhusudhan P. Kalantri	2,08,479	2,09,051
Relatives of Key Management Personnel		
Preeti M. Kalantri	1,22,446	1,83,411
Narayanlal P. Kalantri HUF	3,78,392	4,08,278
Madhusudan P. Kalantri HUF	2,79,640	3,09,256
Ravikumar N. Kalantri HUF	1,42,358	1,42,748
Sarojdevi N. Kalantri	2,30,588	2,31,219
Pooja M. Kalantri	2,30,588	1,22,352
Ravikumar N. Kalantri	66,794	75,637
Rajkumar M. Kalantri	28,545	28,623
	16,87,830	**17,10,575**
1 Service Received		
Enterprises owned or significantly influenced by group of individuals or their relatives		
Universal Automotive Service	-	51,623
	-	**51,623**

33.2 Outstanding balances as at the year end: (Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
1 Parent Company:		
Shiva Global Agro Industries Limited	-	(44,41,074)
2 Key Management Personnel :		
Madhusudhan P. Kalantri	(20,84,794)	(20,84,794)
3 Relatives of Key Management Personnel :		
Preeti M. Kalantri	-	(18,29,103)
Narayanlal P. Kalantri HUF	(37,83,917)	(37,83,917)
Madhusudan P. Kalantri HUF	(27,96,402)	(27,96,402)
Ravikumar N. Kalantri HUF	(14,23,583)	(14,23,583)
Sarojdevi N. Kalantri	(23,05,877)	(23,05,877)
Pooja M. Kalantri	(12,20,181)	(12,20,181)
Rajkumar M. Kalantri	(2,85,450)	(2,85,450)
Ravikumar N. Kalantri	(7,54,302)	(7,54,302)
4 Enterprises owned or significantly influenced by group of individuals or their relatives :		
Kailash Fertilizers	2,32,928	2,32,928
Nature Organics, Karnataka	1,77,36,772	34,21,706
Universal Automotive Service	-	395
Total	**33,15,194**	**(1,72,69,654)**

34 Segment Reporting:

The Company's operations predominantly relate to fertilizer business. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

35 Employee benefits:

As per Ind AS -19 " Employee Benefits", the disclosure of employee benefits are given below:

Defined contribution plan:

(Amount in Rs.)

Particulars	2020-21	2019-20
Employer's contribution to provident fund	5,87,309	6,24,983
Employer's contribution to employee's state insurance	1,18,206	1,47,831

Defined benefit plan and other long term employee benefits: Gratuity plan

Gratuity Plan :

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

Table showing change in the present value of projected benefit valuation

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the beginning of the period	5,92,710	3,08,704
Interest cost	40,304	24,048
Current service cost	2,05,307	1,37,880
Past service cost	-	-
Liability transferred in/ acquisitions	-	-
(Liability transferred out/ divestments)	-	-
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	10,410
Actuarial (gains)/losses on obligations - due to change in financial assumptions	-	68,685
Actuarial (gains)/losses on obligations - due to experience	(76,832)	42,983
Present value of benefit obligation at the end of the period	**7,61,489**	**5,92,710**

Amount recognised in the balance sheet

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
(Present value of benefit obligation at the end of the period	(7,61,489)	(5,92,710)
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(7,61,489)	(5,92,710)
Net (liability)/asset recognized in the balance sheet	**(7,61,489)**	**(5,92,710)**

Amount recognised as expense in the profit and loss

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	2,05,307	1,37,880
Net interest cost	40,304	24,048
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	**2,45,611**	**1,61,928**

Amount recognised in the OCI

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Actuarial (gains)/losses on obligation for the period	(76,832)	1,22,078
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in oci	**(76,832)**	**1,22,078**

Sensitivity Analysis

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected benefit obligation on current assumptions	7,61,489	5,92,710
Delta effect of +1% change in rate of discounting	-77,766	-69,321
Delta effect of -1% change in rate of discounting	92,175	83,263
Delta effect of +1% change in rate of salary increase	84,725	76,909
Delta effect of -1% change in rate of salary increase	-73,217	-65,568
Delta effect of +1% change in rate of employee turnover	5,533	5,393
Delta effect of -1% change in rate of employee turnover	-6,254	-6,164

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

36 Financial instruments:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1.Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market

The carrying amounts and fair values of financial instruments by catergory are as follows:

a. Financial assets (Amount in Rs.)

Particulars	Instruments carried at fair value			Instruments carried at amortized cost		Total carrying Amount (A+B)
	FVTOCI	FVTPL	Total Fair Value (A)	Carrying amount (B)	Fair value	
As at March 31, 2020						
Cash & cash equivalents	-	-	-	27,06,180	27,06,180	27,06,180
Trade receivables	-	-	-	19,33,24,623	19,33,24,623	19,33,24,623
Other financial assets	-	-	-	62,15,265	62,15,265	62,15,265
Total	**-**	**-**	**-**	**20,22,46,067**	**20,22,46,067**	**20,22,46,067**
As at March 31, 2021						
Cash & cash equivalents	-	-	-	1,09,94,396	1,09,94,396	1,09,94,396
Trade receivables	-	-	-	18,46,41,191	18,46,41,191	18,46,41,191
Other financial assets	-	-	-	63,66,385	63,66,385	63,66,385
Total	**-**	**-**	**-**	**20,20,01,971**	**20,20,01,971**	**20,20,01,971**

b. Financial liabilities (Amount in Rs.)

Particulars	Instruments carried at fair		Instruments carried at amortized		Total carrying Amount (A+B)
	FVTPL	Total carrying amount and fair value (A)	Carrying amount (B)	Fair value	
As at March 31, 2020					
Borrowings	-	-	19,74,93,206	19,74,93,206	19,74,93,206
Trade payables	-	-	6,84,18,852	6,84,18,852	6,84,18,852
Other financial liabilities	-	-	45,30,406	45,30,406	45,30,406
Total	**-**	**-**	**27,04,42,463**	**27,04,42,463**	**27,04,42,463**
As at March 31, 2021					
Borrowings	-	-	14,83,69,411	14,83,69,411	14,83,69,411
Trade payables	-	-	4,02,54,158	4,02,54,158	4,02,54,158
Other financial liabilities	-	-	2,30,06,242	2,30,06,242	2,30,06,242
Total	**-**	**-**	**21,16,29,811**	**21,16,29,811**	**21,16,29,811**

c. Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
• Level 1: quoted prices for identical instruments
• Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
• Level 3: inputs which are not based on observable market data.

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

37 Capital management:

The Company’s capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profi le of the overall debt portfolio of the Company.
For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Company: (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
EQUITY	**16,70,16,204**	**15,96,66,363**
Short-term borrowings and current portion of long-term debt	11,46,54,479	16,26,84,668
Long-term debt	5,19,84,932	3,49,87,896
Cash and cash equivalents	(1,09,94,396)	(27,06,180)
Net debt	**15,56,45,016**	**19,49,66,385**
Total capital (equity + net debt)	**32,26,61,220**	**35,46,32,747**
Net debt to capital ratio	0.48	0.55

38 Risk management strategies:

Financial Risk Management:

The Company's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company’s operations and to provide to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.
The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintaing sufficienct cash including availablity of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.
The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows,undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period: (Amount in Rs.)

	As at March 31, 2021	As at March 31, 2020
Secured working capital credit facility from Bank	8,36,15,521	1,74,94,691

(ii) The following is the contractual maturities of the financial liabilities: (Amount in Rs.)

	Carrying amount	Total	Payable on demand	Upto 12 months	more than 12 months
As at March 31, 2019					
Non-derivative liabilities					
Borrowings	19,74,93,206	19,74,93,206	16,25,05,309		3,49,87,896
Trade payables	6,84,18,852	6,84,18,852	-	6,84,18,852	-
Other financial liabilities	45,30,406	45,30,406	43,51,047	1,79,359	-
As at March 31, 2020					
Non-derivative liabilities					
Borrowings	14,83,69,411	14,83,69,411	9,63,84,479	-	5,19,84,932
Trade payables	4,02,54,158	4,02,54,158	-	4,02,54,158	-
Other financial liabilities	2,30,06,242	2,30,06,242	47,36,242	1,82,70,000	-

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Company's senior management team manages the Market risk, which evalutates and exercises independent control over the entire process of market risk management.

(i) Foreign Currency Risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company doesnot have any foreign currency transactions and hence is not exposed to the Foreign Currency Risks.

(ii)Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortised costs. Hence, the Company is not subject to the interest rate risk since neither the carrying amount nor the future cash flows will change due to change in the market Working capital facility is as per contractual terms, primarily of short term in nature, which does not exposes company to siginificant interest rate risk.

Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining collaterals (such as Security Deposit) as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit ratings of its counterparties are continuously monitored based on the counterparty's past performance and business dynamics. Credit exposure is controlled by counterparty limits that are reviewed and approved by the senior management at regular intervals.

Trade receivables consist of a large number of customers primarily in rural areas. Ongoing credit evaluation is performed on the financial condition and performance of accounts receivable. The average credit period is about 90 days. The Company's trade and other receivables consists of a large number of customers, hence the Company is not exposed to concentration risk. The maximum exposure to the credit risk at reporting date is primarily from trade receivables amounting to Rs.18,46,41,191/- .

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties for years ended March 2021 and March 2020 because it has evaluated their credit risk as low considering the financial stability of the ultimate parent.

As per our report of even date
For **Aditya Falor & Associates**
Chartered Accountants
Firm Registration No.: 127273W

ADITYA FALOR & ASSOCIATES
M.No. 122487
NANDED
CHARTERED ACCOUNTANTS

Aditya G. Falor
Proprietor
Membership No. 122487

Date: June 30, 2021
Place: Nanded

For and on behalf of the Board

Madhusudan P. Kalantri
Director

Shashikant R. Puramwar
Director