

October 03, 2018

To  
The Listing Manager  
Bombay Stock Exchange Limited  
PJ Towers, Mumbai

To  
The Listing Manager  
National Stock Exchange of India Limited  
Mumbai,

Dear Sir/Madam,

**Subject: Submission of Annual Report**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year ended 31st March, 2018, which has been duly approved and adopted by the Members as per the provisions of the Companies Act, 2013 at the Annual General Meeting of the Company held on Friday, the 28th day of September, 2018.

This is for your information and record

Thanking you,

Yours Sincerely,  
For **PROSEED INDIA LIMITED**



**Venkateswara Rao Tammineedi**  
Executive Director  
(Din: 06806293)



Encl: As Above



**An Agri BioTech Company**

**Towards  
New Green Horizons**

**Proseed India Limited**

26<sup>th</sup> Annual Report  
2017-18



PROSEED INDIA LIMITED

**BOARD OF DIRECTORS**

**Name**

Mr. D V S Prakash Rao  
Mr. Venkateswara Rao Tammineedi  
Mr. Nekkanti Venkata Krishnayya  
Mr. Seetharama Rao Atluri  
Mr. Y Ramesh  
Ms. Renduchintala padmavathi  
Ms. Srishti Soni

**Designation**

- Whole Time Director & CEO
- Executive Director & CFO
- Non Executive & Independent Director
- Non Executive & Independent Director
- Non Executive & Independent Director
- Non Executive Director
- Company Secretary and Compliance Officer  
(Resigned 13-08-18)

**REGISTERED OFFICE**

Flat No. 302, Lotus Block, Block-B,  
Sandy Springs, Manikonda,  
Ranga Reddy Dist., Telangana, Hyderabad - 500 089.  
Tel: 08413485046  
Fax:+91-40-23548537  
URL: www.proseedindia.in

**CIN: L01403TG2002PLC039113**

**STATUTORY AUDITORS**

M/s Navitha & Associates  
Chartered Accountants  
#16-2-740/75, Plot No.26,  
V.K. Dhage Nagar, Dilsukhnagar,  
Hyderabad Telangana 500060

**INTERNAL AUDITORS**

M/S Gorantla & Co.,  
Chartered Accountants  
Off: H.No. 6-3-664, Prestige Rai Tower  
Hyderabad – 500 018

**SECRETARIAL AUDITORS**

M/s Kota & Associates (Formerly known as Kota Srinivas & Associates)  
Company Secretaries  
Flat No. 101, 1st Floor,  
Upstairs State Bank of Mysore,  
Chaitanya Chambers,  
Chaitanyapuri, Hyderabad – 500036

**SHARE TRANSFER AGENT**

CIL Securities Limited  
214, Raghava Ratna Towers,  
Chirag Ali Lane,  
Hyderabad-500001 Telangana  
Phone: +91 040-23203155

**BANKERS**

BANK OF BARODA,  
HDFC BANK,  
KARUR VYSYA BANK

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**TABLE OF CONTENTS**

S No	Item	Page No
1	Notice of Annual General Meeting	3
2	Directors' Report	11
3	Report on Corporate Governance	23
4	Management Discussion and Analysis	29
5	Financial statements	
	a. Auditor's Report on standalone Financial Statements	34
	b. Standalone balance Sheet	41
	c. Standalone Statement of profit and loss account.	42
	d. Standalone cash flow statements	43
	e. Notes forming part of the Standalone Financial Statements	45
6	Proxy Form	66
7	Attendance Slip	67

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 26th Annual General Meeting of the Members of Proseed India Limited (formerly Green Fire Agri Commodities Limited) will be held on Friday, the 28th day of September, 2018 at 2.00 p.m at Senior Citizen Hall 2nd Floor, Beside S.R.K Raju Community Hall, Madhuranagar, Hyderabad 500038 Telangana to transact the following business:

### **ORDINARY BUSINESS**

#### **1. Adoption of Financial Statements & Reports**

To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Auditors and Board of Directors thereon; and in this regard, pass the following resolutions, with or without modification(s), as Ordinary Resolutions:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Auditors and Board of Directors thereon laid before this meeting, be and are hereby considered and adopted.”

#### **2. Appointment of Mr. Venkateswara Rao Tammineedi as a Director liable to retire by rotation**

To appoint a Director in place of Mr. Venkateswara Rao tammineedi, Executive Director & Chief Financial officer (DIN No: 06806293) who retires by rotation and being eligible, offers himself for re-appointment.

**Rational:** Mr. Venkateswara Rao tammineedi, being longest in the office amongst the Directors liable to retire by rotation is proposed to retire at the ensuing Annual General Meeting., it is proposed to re-appoint him as a Director.

To the extent that Mr. Venkateswara Rao tammineedi is required to retire by rotation, he would need to be re-appointed as a Director of the Company, who shall continue his term as a Executive Director & Chief Financial officer of the Company.

Therefore, members are requested to consider and if thought fit, to pass the following resolution, with or without modification(s), as Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, , the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Venkateswara Rao tammineedi as a Director of the Company, who shall continue as a Executive Director & Chief Financial officer of the Company, to the extent that he is required to retire by rotation.”

#### **3. Appointment Statutory Auditors:**

Pursuant to the provision of section 139 and other applicable provision, if any, of the Company Act, 2013 read with Rule made there under, The statutory Auditors, M/s Navitha and Associates, chartered Accountants, Hyderabad , having firm registration No. 012026S allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Auditors of the company.

M/s Navitha and Associates, Appointed as the statutory Auditors at the last Annual General Meeting held on 29.09.2017 for a period of Five (5) years till the conclusion of 30th Annual general Meeting in the calendar year of 2022.

As per the companies Amendment Act 2017, Ratification by members is not required and hence only the information with regard to continuity of auditor is mentioned.

**Regd Office:**

Flat No. 302, Lotus Block,  
Block-B, Sandy Springs,  
Manikonda, Ranga Reddy Dist.,  
Telangana, Hyderabad - 500 089

**For and on behalf of the Board  
For Proseed India Limited**

Sd/-

**D.V.S.Prakash Rao  
Wholetime Director & CEO  
(DIN No. 03013165)**

**Date: 28th August, 2018**

**NOTES :**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business is annexed hereto.

**2. PROXIES.**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES (WHETHER MEMBER OR NOT) TO ATTEND AND VOTE INSTEAD OF HIMSELF OR HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
- b. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
- c. Members' voting rights shall be in proportion to his/her share of paid up equity share capital of the Company
- d. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- e. Members desirous of asking any questions at the General Meeting are requested to send their questions so as to reach the Registered Office of the Company at least Seven (7) days before the General Meeting so that the same can be suitably replied to.
- f. Members/ Proxies are requested to bring their attendance slip, sent herewith, duly filled in, for attending the meeting
- g. Proxy forms in order to be effective, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- h. Pursuant to Section 103 of the Companies Act, 2013 at least Thirty (30) members should be personally present to form quorum for a meeting of the Company.
- i. The Notice is being sent to all members through permitted modes, whose names appear in the Register of Members, as on 31st August, 2018.
- j. Documents specifically stated in the explanatory statement are open for inspection at the Registered office of the Company between 10:00 a.m. to 01:00 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of AGM.
- k. The Company has notified closure of Register of Members and Share Transfer Books from 25-09-2018 to 28-09-2018 (both days inclusive)
- l. The business as set out in this AGM Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional. The members who wish to vote physically in the meeting (instead of e-voting) can do the same by voting in the meeting dated 28th September, 2018.



- m. The voting through an electronic means will commence on 25th September, 2018 at 09.00 a.m. and will end on 27th September, 2018 at 05.00 p.m. The members will not be able to cast their vote electronically beyond the date and time mentioned above.
- n. The Company has appointed M/s. Gorantla & Co, Chartered Accountants (FRN:016943S) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- o. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 25th September, 2018 at 09.00 a.m. and ends on 27th September, 2018 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iv) Click on Shareholders
  - (v) Now Enter your User ID
    - a) For CDSL: 16 digits beneficiary ID,
    - b) For NSDL: 8 Character DPID followed by 8 Digits Client ID,
    - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
  - (vi) Next enter the Image Verification as displayed and Click on Login
  - (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.</p> <p>Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- p. In case Members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/depository participant(s) or requesting physical copy] :
- i. Please follow all steps from Sl.No. (ii) to Sl.No. (Xiii) above, to cast vote.
  - ii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.,) are required to log on to <https://evotingindia.co.in> and register themselves as Corporates. After receiving the login details, they have to link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

- iii. The voting period begins on 25th September, 2018 at 9:00 a.m. and will end on 27th September, 2018 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21st, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change in subsequently.
- iv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), [cs@proseedindia.com](mailto:cs@proseedindia.com) or [rta@cilsecurities.com](mailto:rta@cilsecurities.com).
- q. Kindly note that the members can opt only one mode of voting i.e. either by physical voting or e-voting. If you are opting for e-voting, then you are not eligible for physical voting. However, once the vote on resolution is cast by the shareholder by e-voting, he shall not be allowed to change it subsequently at the physical meeting.
- r. The Scrutinizer will submit his/her report addressed to the Chairman within a period not exceeding three working days from the date of conclusion of e-voting period. The result of the voting on Resolutions at the meeting shall be announced by the Chairman on 29th September, 2018. The results declared along with the Scrutinizer's report, will be posted on the Company's website and on CDSL's website and stock exchanges on 29th September, 2018.

For and on behalf of the Board  
**for Proseed India Limited**

**Regd Office:**

Flat No. 302, Lotus Block, Block-B,  
Sandy Springs, Manikonda,  
Ranga Reddy Dist., Telangana,  
Hyderabad - 500 089

**D.V.S.Prakash Rao**  
**Wholetime Director & CEO**

**Date: 28th August, 2018**

**Annexure-1****ADDITIONAL INFORMATION PURSUANT TO REGULATION 36(3)  
OF THE SEBI (LODR) REGULATION 2015****Item No.2**

Mr. Venkateswara Rao tammineedi

Mr. Venkateswara Rao tammineedi (DIN: 06806293) is the Executive Director & Chief Financial officer of the Company.

Other details with respect to Mr. Venkateswara Rao tammineedi are as follows:

Name of the Director	Mr. Venkateswara Rao tammineedi
DIN	06806293
Date of Birth	14-06-1961
Type of appointment	Director
Date of Appointment/ Re-appointment	13-05-2016
Areas of Specialization	He has a 31 plus year of Experience in Financial Management.
Qualifications	Master of Business Administration (MBA)
No. of Shares Held in the Company	Nil
Name of the other companies in which the appointee also holds Directorship	Blueshark Derivate Trading Private Limited
Chairman/member of the Committee of the Board of Directors of this Company	Nil
Relation with Key Managerial Personnel and Directors	Nil
Justification for appointment	He has more than 31 years of Experience in Financial management.

Attention of the Members:

1. Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500001, Telangana Ph: 040-23203155, Email: rta@cilsecurities.com

**Sending notices and documents to shareholders through email:**

2. As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company M/s CIL Securities Limited at their postal / email address given above. Please give the details in the attached format for registering your email ID. Those holding shares in demat form are requested to register their email IDs with their Depository Participants.

**DIRECTORS REPORT**
**To The Members of  
Proseed India Limited**

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Accounts for the year ended 31st March, 2018.

**Financial Highlights:**
**(In Lakhs)**

Particulars	Year ended 2018	Year ended 2017
<b>Revenue:</b>		
Revenue from Operations	70.29	147.51
Other income	48.84	6.80
<b>Total Revenue</b>	<b>119.13</b>	<b>154.31</b>
<b>EXPENDITURE:</b>		
Purchase of stock in trade	65.97	137.71
Employee benefits expense	31.23	31.92
Finance costs	51.32	50.63
Depreciation expense	0.88	0.88
Other expenses	15.81	34.01
<b>Total</b>	<b>165.21</b>	<b>255.15</b>
Profit/(Loss) Before Extraordinary items and Tax	(46.08)	(100.84)
Extraordinary items	–	–
Profit/(Loss) After Extraordinary items	(46.08)	(100.84)
Less: Tax Expense	(36.28)	–
Profit/(Loss) After Tax	(9.80)	(100.84)
Earnings per share		
– Basic	(0.01)	(0.10)
– Diluted	(0.01)	(0.10)

**REVIEW OF OPERATIONS:**

For the financial year ended March 31, 2018, your Company had reported total income of 70.29 lakhs as against 147.51 lakhs during the previous financial year. The Company recorded a Net Loss of 9.80 lakhs as against net loss of 100.84 lakhs during the previous financial year.

**DIVIDEND:**

During the year under review, the company has not declared any dividend.

**BORROWINGS:**

Please refer Note No. 2.9 of the notes on accounts (Financial Statements) Indebtedness in Form MGT-9 Under Clause V in this Report.

**DIRECTORS:**

In accordance with Sections 149, 150, 152 & other applicable provisions if any, of the Companies Act, 2013 Mr. Venkateswara Rao Tammineedi (DIN : 06806293) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Vinod goud vemula has resigned as director during the year under review.

**AUDITORS:****Statutory Auditors:**

Pursuant to the provision of section 139 and other applicable provision, if any, of the Company Act, 2013 read with Rule made there under, The statutory Auditors, M/s Navitha and associates, chartered Accountants, Appointed as the statutory Auditors at the last Annual General Meeting held on 29.09.2017 for a period of Five (5) years till the conclusion of 30th Annual general Meeting in the calendar year of 2022.

As per the companies Amendment Act 2017, Ratification by members is not required and hence only the information with regard to continuity of auditor is mentioned.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Kota & Associates, Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

**Internal Auditors**

M/s. Gorantla & Co, Chartered Accountants perform the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

**PUBLIC DEPOSITS:**

The Company has not accepted any deposits within the meaning of Companies Act, 2013 and the rules framed there under.

**VIGIL MECHANISM:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.proseedindia.in](http://www.proseedindia.in)

**RELATED PARTY TRANSACTIONS:**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of 34(3) and 53(f) of the SEBI (LODR) Regulations 2015. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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

With reference to the SEBI letter no. SEBI/HO/ISD/ISD/OW/P/2017/18926 dated August 9, 2017 the Company was asked by the NSE to provide details, financial information, compliance confirmation, etc and the Company has submitted all the documents requested. In addition, the Management Team of the Company has expressed in its reply to NSE its interest to have a hearing at the Hyderabad NSE Regional office through Video Conferencing.

In continuation, regarding the above subject company has approached SAT Mumbai, Appeal no. 320 and 350 of 2017, appealed for relief and the honourable court Reviewed the matter and decision was given dated 12th Dec 2017, accordingly appeal Stands disposed of with a direction to NSE to pass appropriate orders in the Matter of the appellant within Six weeks from the date of order.

Reference no. NSE/SURV/36785 dated 19th January 2018 NSE issued a letter to the company that the trading in securities of Proseed India Limited shall be reverted to the status as it stood prior to issuance of letter dated August 7, 2017.

Reference no. NSE/LIST/C/2018/0105 Dated 19th January 2018, NSE has appointed the M/S BDO India LLP to conduct the Forensic audit of the company . BDO India LLP has conducted the forensic Audit of the company and audit report is awaited .

Circular Ref. No 136/2018 dated 06th June 2018 NSE moved the Securities of the company to stage III graded Surveillance measure.

### **PARTICULARS OF EMPLOYEES:**

None of the employees are in receipt of the remuneration as set out under the Companies Act, 2013 and read with Rules made there-under and as such the statement as required under the Companies Act, 2013 is not applicable.

### **LISTING OF SHARES**

The shares of the company are listed on National Stock Exchange and on the Bombay Stock Exchange Limited (BSE) under INDONEXT model. The listing fee for the year 2018-19 has already been paid to the NSE.

### **CORPORATE GOVERNANCE:**

In accordance with SEBI (Listing obligation and Disclosure Requirements) 2015 a report on Corporate Governance along with the Practicing Company Secretary Certificate on compliance of conditions of Corporate Governance is annexed herewith and forms part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance to the provisions of Section 134(3)© of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;



- c. the directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The company has no activities relating to Conservation of Energy, Technology Absorption. The company has no Foreign Exchange earnings and Outgo during the year under review.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure 2”.

**ACKNOWLEDGEMENTS:**

Your Directors thank all the members, banks and regulatory and governmental authorities for their continued support. We take this opportunity to place on record our sincere thanks to our Bankers, State and Central Government agencies for their timely support, co-operation and valuable guidance.

**For and on behalf of the Board**

**Place : Hyderabad**  
**Date : 28th August, 2018**

**D V S Prakash Rao**  
Whole Time Director & CEO  
(DIN No. 03013165)

**Secretarial Audit Report**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

To  
The Members of  
M/s. **PROSEED INDIA LIMITED**,  
CIN: L01403TG2002PLC039113  
Hyderabad.

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. PROSEED INDIA LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied to some extent with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 as per the Annexure-II to this secretarial audit report, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) viz.,
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue Companies Act and Share Transfer Agents) Regulations, 1993 regarding the companies Act, and dealing with client;

We have also examined the compliances with the applicable clauses of the following :

- i. Secretarial Standards issued by the Institute of company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited/The SEBI(Listing Obligations and Disclosure Requirements)Regulations, 2015.

During the financial year under review the Company has complied with the provisions of the Acts, to the extent applicable and the Rules, Regulations, Guidelines, etc., mentioned above subject to our observations as annexure herewith:

We further report, subject to our observations in annexure-II, that

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However the company did not appoint CFO.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, need more focus for good governance. We further report that during the year under review :-

- SEBI issued a notice on 7.08.2017 including the company name in shell companies list and put the status under GSM. The Company requested to remove the shell status vide its letter dtd 13.9. 2017. At present the status is GSM Stage III. Trading is restricted vide letter dt 19.1.2018.
- Further Forensic Audit was ordered and we were informed that it was concluded but the audit report is awaited.
- The company has received an order from SAT on 12.12.2017 directing NSE to pass appropriate order within 6 weeks. Further correspondence is being carried out by the company.

We have relied on the information supplied and representation made by the Company and its officers for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company.

For KOTA & ASSOCIATES,  
Company Secretaries,

KOTA SRINIVAS  
ACS:34206  
CP : 14300

Place: Hyderabad  
Date: 27.08.2018

This Report is to be read with our letter of even date which is annexed as Annexure –I and forms an integral part of this Report.

ANNEXURE-I  
(to the Secretarial Report of M/s. PROSEED INDIA Limited  
for the FY 2017-18)

To  
The Members of the  
M/s. PROSEED INDIA LIMITED  
CIN: L01403TG2002PLC039113  
Hyderabad.

Dear Sirs,  
Sub: Annexure – I to the Secretarial Audit Report to your Company for the FY 2017-18.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For KOTA & ASSOCIATES,  
Company Secretaries,

Kota Srinivas  
ACS:34206  
CP :14300  
Place: Hyderabad  
Dated:27.08.2018

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

**As on the financial year ended on 31.03.2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L01403TG2002PLC039113
Registration Date	12/06/2002
Name of the Company	PROSEED INDIA LIMITED
Category / Sub-Category of the Company	Agri Seeds
Address of the Registered Office and contact details	Flat No. 302, Lotus Block, Block - B, Sandy Springs, Manikonda, Hyderabad TG 500089 IN
Whether listed company	Listed on NSE and BSE (Indo Next)
Name, address and contact details of Registrar and Transfer Agent, if any	CIL Securities Ltd. 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001. Andhra Pradesh, India.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl.No.	Name and Description of main products/services	NIC Code of the Product/service	% total turnover of the company
1.	Commodity Trading	6612	38.87%
2.	Seed	4773	61.13%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sl.No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 31st March 2017				No. of Shares held at the end of the year 31st March 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	6636198	-	6636 198	6.9	6636198	-	6636198	6.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	27645509	-	27645509	28.76	27645509	-	27645509	28.76	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>34281707</b>		<b>34281707</b>	<b>35.66</b>	<b>34281707</b>		<b>34281707</b>	<b>35.66</b>	
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>									
<b>Total shareholding of Promoter (A)=(A)(1)+A(2)</b>	<b>34281707</b>	<b>-</b>	<b>34281707</b>	<b>35.66</b>	<b>34281707</b>	<b>-</b>	<b>34281707</b>	<b>35.66</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Marshal Global Capital Fund Ltd (FIIs)	1500213	-	1500213	1.56	1500213	-	1500213	1.56	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)									
<b>Sub-total (B)(1)</b>	<b>1500213</b>	<b>-</b>	<b>1500213</b>	<b>1.56</b>	<b>1500213</b>	<b>-</b>	<b>1500213</b>	<b>1.56</b>	<b>-</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(I) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(I) Individual shareholders holding nominal share capital upto Rs. 2 lakh	36704748	22126	36726874	38.21	36918478	23101	36941579	38.45	0.24

Category of Shareholders	No. of Shares held at the beginning of the year 31st March 2017				No. of Shares held at the end of the year 31st March 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	16340117	-	16340117	17	18657335	-	18657335	19.42	2.42
c) Others (Specify)	-	-	-	-	-	-	-	-	-
NRI	912273	-	912273	0.95	951269	-	951269	0.99	0.04
Trusts Custodians/Clearing members	138210	-	138210	0.14	13989	-	13989	0.01	-
Body Corporate	6209042	-	6209042	6.46	3762344	-	3762344	3.91	-2.55
<b>Sub-total (B)(2)</b>	<b>60304390</b>	<b>22126</b>	<b>60326516</b>	<b>62.78</b>	<b>60303415</b>	<b>23101</b>	<b>60326516</b>	<b>62.78</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>61804603</b>	<b>22126</b>	<b>61826729</b>	<b>64.34</b>	<b>61803628</b>	<b>23101</b>	<b>61826729</b>	<b>64.34</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>96086310</b>	<b>22126</b>	<b>96108436</b>	<b>100</b>	<b>96085335</b>	<b>23101</b>	<b>96108436</b>	<b>100</b>	<b>-</b>

### ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year(01-04-2017)			Shareholding at the end of the year(31-03-18)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1.	KLING ENTERPRISES INDIA LIMITED	27645509	28.76		27645509	28.76		0
2.	MEENAVALLI VENKATA SRINIVAS	3254586	3.39		3254586	3.39		0
3.	MEENAVALLI USHA RANI	3226360	3.36		3226360	3.36		0
4.	MEENAVLLI KRISHNA MOHAN	80786	0.08		80786	0.08		0
5.	M.V. LAXMI	74466	0.08		74466	0.08		0

### iii. Change in Promoters' Shareholding :

There is no change in Promoters Shareholding during the year.

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

Sl. No.	Name of the Share Holder	Share holding at the beginning of the year 01-04-2017		Share holding at the end of the year 31-03-2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	UMA KUNAREDDY	2133340	2.22	2133340	2.22
2.	MARSHAL GLOBAL CAPITAL FUND LTD	1500213	1.56	1500213	1.56
3.	KRISHNAM RAJU MANTHENA	1000502	1.04	1048302	1.09
4.	KOMMAREDDY NARASIMHA KRISHNAMURTHY	1101272	1.15	1009135	1.05
5.	ANDELA SRINIVAS RAO	916300	0.95	916300	0.95
6.	RENUKA DEVI NADIMPALLI	750000	0.78	750000	0.78
7.	KUNAREDDY SIMI	750000	0.78	750000	0.78
8.	K PALANI KUMAR	508048	0.53	597365	0.62
9.	CHERLO MADHAVI	473624	0.49	527624	0.55
10.	MADANA SHAILAJA	491605	0.51	524605	0.55

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dasigi Venkata Surya Prakash Rao	42754	0.04	42754	0.04
2	Venkateswara Rao Tammineedi	-	-	-	-
3	Seetharama Rao Atluri	-	-	-	-
4	Nekkanti Venkata Krishnayya	-	-	-	-
5	Renduchintala Padmavathi	-	-	-	-
6	Yarlagadda Ramesh	-	-	-	-
7	Srishti Soni	-	-	-	-

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I. Principal Amount	17,09,76,213	5,53,52,977	-	22,63,29,190
ii. Interest due but not paid	4,21,442	-	-	4,21,442
iii. Interest accrued but not due	45,41,807	-	-	45,41,807
<b>Total (i+ii+iii)</b>	<b>17,59,39,462</b>	<b>5,53,52,977</b>	<b>-</b>	<b>23,12,92,439</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	61,22,283	1,02,81,000	-	1,64,03,283
• Reduction	3,64,79,000	21,25,000	-	3,86,04,000
<b>Net Change</b>	<b>(3,03,56,717)</b>	<b>81,56,000</b>	<b>-</b>	<b>(2,22,00,717)</b>
Indebtedness at the end of the financial year				
i. Principal Amount	13,96,74,914	6,35,08,977	-	20,31,83,891
ii. Interest due but not paid	4,27,428	-	-	4,27,428
iii. Interest accrued but not due	54,80,403	-	-	54,80,403
<b>Total (i+ii+iii)</b>	<b>14,55,82,745</b>	<b>6,35,08,977</b>	<b>-</b>	<b>20,90,91,722</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1. D.V.S. Prakash Rao 2. T. Venkateswara Rao	5,53,500 4,31,000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify Total(A) Ceiling as per the Act	NIL  30 Lakhs	NIL  NIL

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors •Fee for attending board committee meetings •Commission •Others, please specify Total(1)		NIL   NIL
2.	Other Non-Executive Directors •Fee for attending board committee meetings •Commission •Others, please specify Total(2) Total(B)=(1+2) Total Managerial Remuneration Over all Ceiling as per the Act		NIL   NIL NIL  NIL
		Not Applicable	

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Srishti Soni	2,97,335  NIL NIL
2.	Stock Option		NIL
3.	Sweat Equity		NIL
4.	Commission - as % of profit - others, specify...		NIL
5.	Others, please specify Total(A) Ceiling as per the Act	Not Applicable	NIL

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fee imposed	Authority RD/NCLT /Court	Appeal made if any
A. Company B. Directors C. Others Officers In default			NIL		

**REPORT ON CORPORATE GOVERNANCE**
**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The concept of Corporate Governance hinges on total transparency, integrity and accountability of the management team. Your Company has been following the Corporate Governance practices like striking out reasonable balance in the composition of Board of Directors, setting up Audit Committee and other business committees, adequate disclosures and business to be deliberated by the Board etc. Your Company is committed to follow good Corporate Governance practices and improve upon them year after year.

**2. BOARD OF DIRECTORS**

The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors with not less than Fifty percent of the Board of Directors comprising of Non Executive Directors. The Company has whole time director and Executive Director and more than 60% of the Board consisting of Independent and Non-Executive Directors.

**a) Composition and Category of Board of Directors**

Category	No. of Directors	% of the Board
Promoter, Executive and Non-Independent Director	NIL	0%
Executive Director(s)	2	28.57%
Non-Executive Director	1	14.28%
Non-Executive and Independent Director	3	50%
Total	6	100%

**b) Attendance of each Director at the Board Meetings held during the year 2017-18 and at the Last Annual General Meeting;**

Sl. No.	Name and Designation of the Director	Board Meetings held during the year	Board Meetings Attended during the year	Attendance at Last AGM (Yes/No)
1	Mr DVS Prakash Rao	8	8	YES
2	Mr. T. Venkateswara Rao	8	8	YES
3	Mr. Seetharama Rao Atluri	8	6	YES
4	Mr Y. Ramesh	8	4	NO
5	Mr. Nekkanti Venkata Krishnayya	8	8	YES
6	Mr. Vinod Goud (resigned on 07.07.2017)	8	1	NO
7	Mr. Renduchintala Padmavathi	8	8	YES

**c) Number of other Boards or Board Committees in which Directors are Member or Chairperson.**

Name of the Director	Board@		Committee	
	Chairman	Member	Chairman	Member
Mr. D VS Prakash Rao	NIL	NIL	NIL	1
Mr. T. Venkateswara Rao	NIL	1	NIL	NIL
Mr. Y. Ramesh	NIL	2	NIL	2
Dr. Vinod Goud Vemula (resigned on 07.07.2017)	NIL	NIL	NIL	NIL
Mr. Seetharama Rao Atluri	NIL	2	1	2
Mr. Renduchintala Padmavathi	NIL	1	NIL	1
Mr. Nekkanti venkata krishnayya	NIL	2	2	1

@ Directorships in Foreign Companies are excluded

**d) Number of Board meetings held, dates on which held**

The Board of Directors met 8 times during the year 2017-18 on 4th May 2017; 30th May 2017; 7th July 2017; 10th August 2017; 28th August 2017; 14th November 2017; 30th December 2017; and 14th February 2018.

**3. AUDIT COMMITTEE**

The Audit Committee of the company is constituted in line with the provisions of section 177 of the companies Act 2013 read with the Regulation 18 of SEBI (LODR) Regulation, 2015 entered into with the Stock Exchanges.

Apart from all the matters provided in Regulation 18 of the SEBI (LODR) Regulation, 2015 and section 177(4) of the companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also re-views major accounting policies followed by the company. It also investigates into any of the matter of section 177(4), as and when required.

The composition of Audit Committee and details of meetings attended by its members are given below

Sl. No.	Name of Director	Designation in the Audit Committee	Number of Meetings during the financial year 2017-18	
			Held	Attended
1	Mr. Nekkanti Venkata Krishnayya	Chairman	5	5
2	Mr. Seetharama Rao Atluri	Member	5	5
3	Mr. Yarlagaadda Ramesh	Member	5	5

**iii. Meetings and Attendance during the year**

During the Financial Year 2017-18, the Audit Committee met 5 times on the following dates: 30th May 2017; 10th August 2017; 28th August 2017: 14th November 2017; and 14th February 2018.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The composition of Compensation / Remuneration Committee is as follows:

Sl. No	Name of Director	Designation in the Committee
1	Mr. SEETHARAMA RAO ATLURI	Chairman
2	Mr. Nekkanti Venkata Krishnayya	Member
3	Mr. YARLAGADDA RAMESH	Member

**(a) Brief description of terms of reference**

The terms of reference of the Compensation Committee, inter-alia includes determination of compensation package of Executive Directors and Senior Management of the Company and to frame policies and procedures for Employee Stock Option plans approved by the members of the company.

## (b) Remuneration policy

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/ Non executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the members.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Shareholders/Investors' Grievance Committee is as follows

S No	Name of Director	Designation in the Committee
1	Mr. Nekkanti Venkata Krishnayya	Chairman
2	Mr. Seetharama Rao Atluri	Member
3	Mr. Yarlagadda Ramesh	Member
4.	Mr. D.V.S Prakash Rao	Member

The Investors' Grievance Committee focuses on shareholders' grievances and strengthening of investor relations. The functions of the committee include the redressal of shareholders/investor complaints/grievances pertaining to transfers/transmissions of shares, dividend, and dematerialization of shares, replacement of lost/stolen/mutilated share certificates and other related issues. There are no complaints pending as on the date of this report.

The details of investor's complaints received and resolved during the financial year 2014-15 is as under.

No. of Investor's Complaints received during the financial year 2017-18	No. of Investor's Complaints resolved during the financial year 2017-18	Investor Complaints pending at the end of financial year 2017-18
NIL	NIL	NIL

## 6. GENERAL BODY MEETING

Details Date, Time and Venue of the Last Three Annual General Meetings of the Company

Financial year ended	Date	Venue	Time
March 31, 2017	29.09.2017	Moti Nagar Community Hall, Mothinagar X Roads, Borabanda, Hyderabad – 500 018 Telangana	02.00 P.M
March 31, 2016	30.09.2016	Kalinga Cultural Trust, Plot No.1269, Road No.12, Banjara Hills, Hyderabad-500034	03.30 P.M
March 31, 2015	30.09.2015	Kalinga Cultural Trust, Plot No.1269, Road No.12, Banjara Hills, Hyderabad-500034	04.30 P.M

No special resolution has been passed by the Company in the last year through postal ballot.

## 7. DISCLOSURES

- I. The summary of the materially significant related party transactions is given in the Notes to the Accounts appearing in this Annual Report. However, none of the related party transactions have potential conflict with the interests of the Company at large, as all the transactions were entered into on an arms-length basis.
- II. The Company has complied with all the requirements of the Listing Agreement of the Stock exchanges as well as regulations and guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years. There were no non-compliances by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Market during the last three financial years.
- III. The Company has complied with the requirements relating to Corporate Governance as mandated by Listing Agreements with the Stock Exchanges and also with the non-mandatory requirements as Remuneration Committee, Disclosures, Communication and General Information to the shareholders.

## 8. MEANS OF COMMUNICATION

The Quarterly, half yearly and yearly financial results are sent to the Stock Exchanges immediately after the Board approves the same and are also published in The Financial Express, English newspaper and in Nava Telangana, vernacular newspaper. Then same is also uploaded in the company's Website: www.proseedindia.in

## 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by clause 2 sub clause (e) of Regulation 34 SEBI (LODR) Regulation 2015, Management Discussion and Analysis Report is annexed to the Directors' Report.

## 10. GENERAL SHAREHOLDERS INFORMATION:

### i. Annual General Meeting:

Date : September 28, 2018  
 Time : 2.00 p.m.  
 Venue : Senior Citizen Hall 2nd Floor, Beside S.R.K Raju community hall, Madhuranagar, Hyderabad 500038 Telangana

ii. Financial Year : 1st April 2017 to 31st March 2018

iii. Date of Book Closure : 25th September, 2018 to 28th September, 2018  
 (Both days inclusive)

iv. Listing on Stock Exchange : 1. National Stock Exchange  
 2. Bombay Stock Exchange (Indo Next)

v. Stock Symbol & Code : PROSEED (NSE) & 590057 (BSE)

vi. Market price data : High / Low during the each month in the financial year 2017-18 and performance in comparison to broad based indices, NSE's Nifty and BSE's Sensex etc.,

Month & year	BSE				NSE			
	Stock (Rs)		SENSEX		Stock (Rs)		NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr-17	1.10	1.06	30,184	29,241	1.15	1.10	9,367	9,075
May-17	1.06	0.76	31,255	29,804	0.98	0.93	9,649	9,269
June-17	0.71	0.57	31,52	30,680	0.60	0.58	9,709	9,448
July-17	0.59	0.59	32,672	31,017	0.50	0.45	10,114	9,543
Aug-17	No Records	No Records	32,686	31,128	No Records	No Records	10,137	9,685
Sept-17	No Records	No Records	32,524	31,081	No Records	No Records	10,178	9,687
Oct-17	No Records	No Records	33,340	31,440	No Records	No Records	10,384	9,831
Nov-17	No Records	No Records	33,865	32,683	No Records	No Records	10,490	10,094
Dec-17	No Records	No Records	34,137	32,565	No Records	No Records	10,552	10,033
Jan-18	No Records	No Records	36,443	33,703	No Records	No Records	11,171	10,404
Feb-18	No Records	No Records	36,256	33,482	No Records	No Records	11,117	10,276
Mar-18	No Records	No Records	34,278	32,483	No Records	No Records	10,525	9,951

Note: The trading was stopped by NSE from August 2017 and hence no full data is available. Trading has been resumed by NSE From June 2018.

### vii. Registrar and Transfer Agent:

#### CIL Securities Limited

214, Raghava Ratna Towers, Chirag Ali Lane,  
 Hyderabad-500001

Phone: +91 040-23203155

Email ID: rta@cilsecurities.com

**viii. Share Transfer System:**

Share transfers are registered and returned within a period of fifteen days from the date of receipt, if the documents are in order in all respects.

**ix. Distribution of shareholding:**

No. of Shares From	Upto	No. of Holders	% Held	No. of Shares	Held%
0	500	11526	64.20	2127740	2.21
501	1000	2354	13.11	2053456	2.14
1001	2000	1481	8.25	2403803	2.50
2001	3000	617	3.44	1613238	1.68
3001	4000	313	1.74	1147894	1.19
4001	5000	388	2.16	1886501	1.96
5001	10000	561	3.13	4409189	4.59
10001	96108436	712	3.97	80466615	83.72
		<b>17952</b>	<b>100</b>	<b>96108436</b>	<b>100</b>

**x. Dematerialization of shares and Liquidity:**

As on 31 March 2018, 99.97% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

**ISIN: INE217G01027**

**xi. Address for correspondence:**

Company Secretary  
Proseed India Limited (Formerly Green Fire Agri Commodities Limited)  
Flat No. 302, Lotus Block, Block-B,  
Sandy Springs, Manikonda,  
Ranga Reddy Dist., Telangana, Hyderabad - 500 089.  
Tel: 08413485046  
Fax: +91-40-23548537  
URL: [www.proseedindia.India](http://www.proseedindia.India)

**11. WHISTLE BLOWER POLICY:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct of their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

**CERTIFICATE ON CORPORATE GOVERNANCE**

(As per Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015)

To  
The Members of  
Proseed India Limited

We have examined the compliance of conditions of Corporate Governance by Proseed India Limited for the year ended March 31, 2018, as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015 of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015.

We state that in respect of Investor Grievances no such Grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For KOTA SRINIVAS & ASSOCIATES**  
**Company Secretaries**  
**CS. K. Srinivas**  
CP No. 14300  
ACS No. 34206

Date : 28th August, 2018  
Place: Hyderabad

**DECLARATION ON CODE OF CONDUCT BY  
THE EXECUTIVE DIRECTOR OF THE COMPANY**

I hereby declare that all the members of the Board and senior Management of the Company have complied with all the provisions of the Code of Conduct.

Place: Hyderabad  
Date: 28th August, 2018

**For and on behalf of the Board**  
**For Proseed India Limited**  
**D.V.S. Prakash Rao**  
Whole Time Director & CEO

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Agriculture Scenario**

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross Value Added by agriculture, forestry and fishing is estimated at Rs 17.67 trillion (US\$ 274.23 billion) in FY18

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

**Market Size**

During 2017-18 crop year, food grain production is estimated at 279.51 million tonnes, as per third advance estimates while rice and wheat production in the country is estimated at 111.52 MT and 98.61 MT, respectively in the same period. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. Total area in India, sown with rabi crops reached 64.29 million hectares in February 2018.

India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 307.16 million tonnes (mt) in 2017-18 as per second advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. In April-May 2018 agriculture exports were US\$ 6.43 billion. India is the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.

**Investments**

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2.02 billion and US\$ 466.31 million, respectively, during April 2000 to December 2017. The food processing sector attracted FDI of US\$ 8.37 billion in the same period.

Some major investments and developments in agriculture are as follows:

- The first mega food park in Rajasthan was inaugurated in March 2018.
- Sugar production in India is expected to reach 27.2 million tonnes in 2017-18 season (October-September).
- A loan agreement of US\$ 318 million was signed between the Government of India, Government of Tamil Nadu and the World Bank in December 2017 for the 'Tamil Nadu Irrigated Agriculture Modernization Project' through which is expected to benefit around 500,000 farmers in the state.
- Cotton output in India is expected to increase by 9 per cent in 2017-18\* to 37.7 million bales.



## Government Initiatives

Some of the recent major government initiatives in the sector are as follows:

- In March 2018, the Government of India extended the urea subsidy to the farmers till 2020 with the aim of ensuring supply of urea at statutory controlled prices. Urea subsidy for 2018-19 is estimated at Rs 45,000 crore (US\$ 6.95 billion).
- As of March 2018, the Government is working on a plan to provide air cargo support to promote agriculture exports from India.
- The implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) will be made faster and the government is aiming to increase the coverage under the scheme to 50 per cent of gross cropped area in 2018-19.
- The Government of India is going to provide Rs 2,000 crore (US\$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US\$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.
- A new platform for selling agricultural produce named e-RaKam has been launched by the Government of India and will operate as a joint initiative of Metal Scrap Trade Corporation Limited and Central Railside Warehouse Company Limited (CRWC).

## Road Ahead

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16.

**Source:** The Economic Survey 2016–17, Agricultural and Processed Food Products Export Development Authority (APEDA), Department of Commerce and Industry, Union Budget 2017–18, Press Information Bureau, Ministry of Statistics and Programme Implementation, Press Releases, Media Reports, Ministry of Agriculture and Farmers Welfare, Crisil.

Proseed India Ltd exploring new business avenues and identified aromatic industry as flourishing and is a SunRise industry making growth at 15% annually. PIL after analysing the feasibility and identified contract farming with growers and initiated the crop production. PIL wanted to increase its operations in this field to wide range of aromatic crops.

PIL is increasing its business in Commodity and Seed sectors as monsoon during this financial year found to be good and satisfactory.

## **RISKS, CONCERNS & THREATS**

At Proseed India Ltd, encompasses identification, analysis and mitigation of familiar and unforeseen risks which can disrupt operations and impact growth prospects. Your company has been entrusted with the responsibility to identify risks early and correspondingly, evolve strategies to suitably mitigate these risks or reduce their impact to the minimal.

The following risks have been perceived by your Company in the agricultural space:

### **DEPENDENCY ON NATURE**

Growth prospects for Agri commodities and seeds businesses are very promising in India. However, the demand for your Company's products is influenced greatly by the monsoon conditions. Factors like excessive monsoon or deficient rainfall, extremely hot and dry weather, droughts etc. can have a direct correlation on product sales.

### **MACRO ECONOMIC RISKS**

Agriculture today is influenced by a wide variety of macro-economic factors like credit policies, interest rates, inflation, wholesale prices, etc. These impact both the supply and demand for agriculture produce and products. Your Company remains confident that going ahead, it would be able to withstand effectively any challenges in the macroeconomic conditions.

### **PRODUCTION RISK**

Agriculture is often characterised by high variability of production outcomes, that is, by nature a production risk. Production risks are caused by adverse weather, pests, disease, higher input prices, human error, changes in standards and regulations relating to farm produce and processes, market dynamics and misuse of new technologies. Sale of seeds and agri commodities, both of which are your Company's products, are directly impacted by production risks.

To mitigate this risk, your Company has taken quite a few proactive measures which include scouting for alternate market locations, improvement of seed production processes, amongst others.

### **MARKETING RISK**

Marketing risks relate to the possibility of loss in market share for our products due to increased supply of product options available in the market or that the price received will be less than expected because of reduction in customer demand. To mitigate this marketing risk, your Company engages pro-actively with the farming community and guides them to achieve success in their operations at best possible prices.

**CAUTIONARY STATEMENT**

This report contains statements that may be “forward-looking” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company’s future business developments and economic performance. While these “forward-looking” statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Company undertakes no obligation to publicly revise any “forward-looking” statements to reflect future / likely events or circumstances.

**CEO/CFO Certificate**

To,

The Shareholders and the Board of Directors.  
Proseed India Limited

I, Tammineedi Venkateswara Rao, Executive Director & CFO of PROSEED INDIA LIMITED certify that:

- 1) We have reviewed the financial statements and the cash flow statement for the year ended 31 March, 2018 (hereinafter referred to as 'the year') and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- 2) There are, to the best our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of Company's code of conduct.
- 3) We accept overall responsibility for establishing and maintaining the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
- 4) We have indicated to the auditors and to the audit Committee:
  - a) Significant changes in internal controls over financial reporting during the year;
  - b) Significant changes in the accounting policies during the year;
  - c) There have been no instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

Place : Hyderabad  
Date : 28th August, 2018

Tammineedi Venkateswara Rao  
Executive Director & CFO  
(DIN No. 06806293)

**To the Members of  
Proseed India Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying financial statements of **Proseed India Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

The comparative financial information of the Company for the year ended 31st March, 2017 and transition date opening Balance Sheet as at 1st April, 2016 included in these financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor expressed an unmodified opinion on those financial statements, as adjusted for the difference in accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards Specified under Section 133 of the Act, read with Companies ( Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its 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 were no amount as at 31st March, 2018 which are required to be transferred to the Investor Education and Protection Fund by the Company.

**For Navitha And Associates**  
**Chartered Accountants**

ICAI Firm Registration Number: 012026S

**Navitha.K**

*Proprietor*

Membership Number: 221085

Place :Hyderabad

Date :30.05.2018

**ANNEXURE “A” TO THE AUDITOR’S REPORT**
**Referred to in paragraph 1 under the head “Report on other legal & regulatory requirements” of our report of even date.**

- i)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. All the Fixed assets have been physically verified by the management during the year according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. As per the documents verified by us and explanation given to us, the Title Deeds of immovable properties are held in the name of the company.
- ii). The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- iii). The company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnership or other parties who are covered in the register maintained under section 189 of Companies Act, 2013, accordingly Clause (iii a), (iii b) and (iii c) of Paragraph 3 of the Order are not applicable.
- iv) According to the information and explanations given to us, the Company has not granted any loans, guarantees and security and made investments, as per section 185 & 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and as per the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) The Company has maintained cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii)
  - a. According to the information & explanations given to us, none of the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods & Service Tax, Cess and any other Statutory Dues were outstanding as at last day of the financial year concerned for a period of more than six months.
  - b. According to the information & explanations given to us, there is no dues in respect of disputed amount to be deposited in respect of Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax as on 31st March, 2018 except the followings:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	AY 2010-11	1,56,07,170	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	AY 2011-12	66,80,370	Income Tax Appellate Tribunal

- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to the financial institutions, bank, government or dues to debenture holders.



- ix) In our opinion, and according to the information and explanations given to us, the company has raised money by way of term loans and has applied for the purpose for which it was raised, company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, the Company has paid and provided managerial remuneration during the year as per the provisions of Section 197 read with Schedule V to the Companies Act.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us, all transactions with the related party are in compliance with section 177 & 188 of Companies Act, 2013 and the same has been disclosed in financial statements as required by the Accounting Standards.
- xiv) According to the information and explanations given to us, the company has made preferential allotment of shares and convertible share warrants on private placement basis during the year under review and the company has complied with the requirement of section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which the fund were raised.
- xv) According to the information and explanations given to us, the company has not entered into Non Cash Transactions with directors or persons connected with him during the year.
- xvi) According to the information and explanations given to us, company is not required to be registered under section 45-IA of Reserve Bank of India.

**For Navitha And Associates**  
**Chartered Accountants**

ICAI Firm Registration Number: 012026S

**Navitha.K**

*Proprietor*

Membership Number: 221085

Place :Hyderabad

Date :30.05.2018

**Annexure “B” to the Independent Auditor’s Report of even date on the  
Financial Statements of Proseed India Limited**

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

We have audited the internal financial controls over financial reporting of Proseed India Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Navitha And Associates Chartered Accountants**

ICAI Firm Registration Number: 012026S

### **Navitha.K**

*Proprietor*

Membership Number: 221085

Place :Hyderabad

Date :30.05.2018

**Balance sheet as at 31 March 2018**
*(All amounts in Indian rupees, except share data and where otherwise stated)*

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	2.1	1,41,55,886	1,42,44,216
(b) Financial assets			
(i) Other financial assets	2.2	20,500	20,500
(c) Other Non-current Assets	2.3	1,23,37,198	1,26,73,616
<b>Total Non-current Assets</b>		<b>2,65,13,584</b>	<b>2,69,38,332</b>
<b>Current Assets</b>			
(a) Financial assets			
(i) Trade receivables	2.4	65,69,271	86,83,316
(ii) Cash and cash equivalents	2.5	6,60,073	4,00,326
(iii) Other financial assets	2.6	27,02,085	30,53,706
<b>Total Current Assets</b>		<b>99,31,429</b>	<b>1,21,37,348</b>
<b>TOTAL ASSETS</b>		<b>3,64,45,013</b>	<b>3,90,75,680</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Equity Share capital	2.7	9,61,08,436	9,73,93,544
(b) Other Equity	2.8	(32,97,25,267)	(33,00,28,923)
<b>TOTAL EQUITY</b>		<b>(23,36,16,831)</b>	<b>(23,26,35,379)</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	2.9	6,35,08,977	5,53,52,977
(b) Other non-current liabilities	2.10	4,47,08,717	1,93,27,921
<b>Total Non-current Liabilities</b>		<b>10,82,17,694</b>	<b>7,46,80,898</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	2.9	14,55,82,745	17,59,39,462
(ii) Trade payables	2.11	23,32,269	1,78,86,142
(b) Provisions	2.12	91,172	69,137
(c) Other current liabilities	2.10	1,38,37,964	31,35,420
<b>Total Current Liabilities</b>		<b>16,18,44,150</b>	<b>19,70,30,161</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,64,45,013</b>	<b>3,90,75,680</b>
Notes on Financial Statements	1&2		

The notes referred to above form an integral part of financial statements

As per our report of even date  
for **Navitha and Associates**  
Chartered Accountants  
Firm's registration No.: 012026S

For and on behalf of the Board of Directors of  
**for Proseed India Limited**

Navitha K  
Proprietor  
Membership No.: 221085

D.V.S. Prakash Rao  
Wholetime Director  
DIN: 03013165

T. Venkateswara Rao  
Executive Director  
DIN: 06806293

Place: Hyderabad  
Date : 30 May 2018

Srishti Soni  
Company Secretary  
ACS : 46395

**Statement of Profit and Loss Account for the year ended 31 March 2018**

(Amount in ₹)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>			
Income from operations	2.13	70,28,565	1,47,51,198
Other income	2.14	48,83,138	6,79,798
<b>Total revenue</b>		<b>1,19,11,703</b>	<b>1,54,30,996</b>
<b>Expenses</b>			
Purchase of stock-in-trade	2.15	65,96,830	1,37,71,185
Employee benefits expense	2.16	31,23,841	31,91,525
Finance costs	2.17	51,31,292	50,63,309
Depreciation and amortisation expense	2.1	88,330	88,289
Other expenses	2.18	15,81,202	34,00,862
<b>Total expenses</b>		<b>1,65,21,495</b>	<b>2,55,15,170</b>
<b>Profit/ (Loss) before extraordinary items and tax</b>		<b>(46,09,792)</b>	<b>(1,00,84,174)</b>
Extraordinary items		-	-
<b>Profit/ (Loss) before tax after extraordinary items</b>		<b>(46,09,792)</b>	<b>(1,00,84,174)</b>
<b>Tax expense</b>			
- Current tax		(36,28,340)	-
- Current tax for earlier years		-	-
- Deferred tax charge		-	-
<b>Net Profit /(Loss) after tax</b>		<b>(9,81,452)</b>	<b>(1,00,84,174)</b>
<b>Other Comprehensive Income/(Loss) (OCI)</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Other Comprehensive Income/(Loss) for the period net of tax		-	-
<b>Total Comprehensive Income for the period, net tax</b>		<b>(9,81,452)</b>	<b>(1,00,84,174)</b>
<b>Paid up equity share capital (face value of ₹1/-each)</b>		-	-
<b>Earning per share (face value of share ₹ 1 each)</b>			
[previous year: ₹ 1 each]			
- Basic/ Diluted		(0.01)	(0.10)
Earning per share (Excluding Extraordinary Items)			
- Basic/ Diluted		(0.01)	(0.10)
Notes on Financial Statements	1&2		

The notes referred to above form an integral part of the financial statements  
As per our report of even date

for **Navitha and Associates**  
Chartered Accountants  
Firm's registration No.: 012026S

For and on behalf of the Board of Directors of  
**for Proseed India Limited**

Navitha K  
Proprietor  
Membership No.: 221085

D.V.S. Prakash Rao  
Wholetime Director  
DIN: 03013165

T. Venkateswara Rao  
Executive Director  
DIN: 06806293

Place: Hyderabad  
Date : 30 May 2018

Srishti Soni  
Company Secretary  
ACS : 46395

**Cash flow statement for the year ended 31 March 2018**

(Amount in ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>I. Cash flows from operating activities:</b>		
Net profit/(loss) before taxation:	(46,09,792)	(1,00,84,174)
Adjustments for operating activities:		
Depreciation and amortisation	88,330	88,289
Interest expense	51,31,292	50,63,309
<b>Operating profit/(loss) before working capital changes</b>	<b>6,09,830</b>	<b>(49,32,576)</b>
<b>Movement in working capital:</b>		
Increase/(decrease) in trade receivables	21,14,045	(83,01,285)
Increase/(decrease) in inventories	-	-
Increase/ (decrease) in trade payables	(1,55,53,873)	45,14,201
Increase/ (decrease) non current assets	3,36,418	(500)
Increase/ (decrease) in Financial current assets	3,51,621	4,46,730
Increase/ (decrease) in non current liabilities and provisions	2,90,09,135	(28,666)
Increase/ (decrease) in current liabilities and provisions	1,07,24,580	1,28,866
Cash generated from operations	<b>2,75,91,756</b>	<b>(81,73,230)</b>
Income taxes paid/(received)	-	(5,00,000)
<b>Net cash flow from operating activities (A)</b>	<b>2,75,91,756</b>	<b>(86,73,230)</b>
<b>II. Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	-	(8,000)
<b>Net cash flow used in investing activities (B)</b>	<b>-</b>	<b>(8,000)</b>
<b>III. Cash flows from financing activities</b>		
Unsecured Loan received	81,56,000	1,38,09,418
Repayment / (Proceeds ) of short-term borrowings	(3,03,56,717)	(91,751)
Finance costs	(51,31,292)	(50,63,309)
<b>Net cash from financing activities (C)</b>	<b>(2,73,32,009)</b>	<b>86,54,358</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,59,747</b>	<b>(26,872)</b>
Cash and cash equivalents at the beginning of the year	4,00,326	4,27,198
<b>Cash and cash equivalents at the end of the year (refer note 2.5)</b>	<b>6,60,073</b>	<b>4,00,326</b>

As per our report of even date

 for **Navitha and Associates**  
Chartered Accountants  
Firm's registration No.: 012026S

 For and on behalf of the Board of Directors of  
**for Proseed India Limited**

 Navitha K  
Proprietor  
Membership No.: 221085

 D.V.S. Prakash Rao  
Wholetime Director  
DIN: 03013165

 T. Venkateswara Rao  
Executive Director  
DIN: 06806293

 Srishti Soni  
Company Secretary  
ACS : 46395

 Place: Hyderabad  
Date : 30 May 2018

**Statement of changes in equity for the year ended March 31, 2018**

Particulars	No. of Shares	Amount (₹)
a. Equity Share Capital		
Equity Shares of ₹1 Each, Fully paid up		
As at April 01, 2016	9,61,08,436	9,61,08,436
Issued during the year	-	-
As at March 31, 2017	9,61,08,436	9,61,08,436
Issued during the year	-	-
As at March 31, 2018	9,61,08,436	9,61,08,436

**b. Other Equity**

Particulars	Reserves and surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
As at April 01, 2016	16,71,142	-	-	(32,16,15,891)	(31,99,44,749)
Profit/(loss) for the year	-	-	-	(1,00,84,174)	(1,00,84,174)
<b>As at March 31, 2017</b>	<b>16,71,142</b>	<b>-</b>	<b>-</b>	<b>(33,17,00,065)</b>	<b>(33,00,28,923)</b>
Profit/(loss) for the year	-	-	-	(9,81,452)	(9,81,452)
Forfeited share capital	12,85,108	-	-	-	12,85,108
<b>As at March 31, 2018</b>	<b>29,56,250</b>	<b>-</b>	<b>-</b>	<b>(33,26,81,517)</b>	<b>(32,97,25,267)</b>

The notes referred to above form an integral part of financial statements

As per our report of even date  
for **Navitha and Associates**  
Chartered Accountants  
Firm's registration No.: 012026S

For and on behalf of the Board of Directors of  
**for Proseed India Limited**

Navitha K  
Proprietor  
Membership No.: 221085

D.V.S. Prakash Rao  
Wholetime Director  
DIN: 03013165

T. Venkateswara Rao  
Executive Director  
DIN: 06806293

Srishti Soni  
Company Secretary  
ACS: 46395

Place: Hyderabad  
Date : 30 May 2018

**Note 1: Significant accounting policies****Overview**

Proseed India Limited (“the Company”) was incorporated as Garden Style Private Limited on 11 June 1991. The name of the Company was subsequently changed from Green Fire Agri Commodities Limited to Proseed India Limited on 20 January 2016. The company mainly engaged in Agri Commodities Trading and production, processing, trading of Seeds.

**(a) Basis of preparation & compliance with IND AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘Indian GAAP’). With effect from April 01, 2017, the Company is required to prepare its financial statements under the Indian Accounting Standards (‘Ind AS’) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - ‘First time adoption of Indian Accounting Standards’.

**(b) Use of estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

**(c) Depreciation and amortization**

Depreciation on tangible and intangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the other fixed assets as follows:



	<u>Years</u>
Building	60
Furniture, fixtures and office equipment	10
Computer equipment	3
Office equipment	5
Vehicles	8

**(d) Property, Plant and Equipment**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

**Subsequent costs**

Subsequent costs are included in the asset’s carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment

**(e) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

**Amortisation**

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised on straight line basis over a period of Five years.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**(f) Current–non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**(g) Inventories**

Inventories of traded products are valued at the lower of cost and net realisable value. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The Company follows the first in first out (FIFO) method for determining the cost of such inventories.

**(h) Minimum Alternative Tax (MAT) Credit entitlement:**

MAT Credit entitlement represents amounts paid in a year under Section 115 JAA of the Income Tax Act, 1961 (IT Act), in excess of the tax payable, computed on the basis of normal provisions of the IT Act.

Such excess amount can be carried forward for set off against future tax payments for fifteen succeeding assessment years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit entitlement, under "Short Term Loans and Advances" in balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force

**(i) Revenue recognition**

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

The revenue from sale of commodities is recognised when all significant risks and rewards of ownership of goods are passed to the buyer (ie. On Physical Delivery), in accordance with the terms and conditions of the contracts entered into by the Company with customers.

Brokerage income is recognised when customer orders are executed on the commodity exchanges. Income from interest on deposits and interest bearing securities is recognised on the time proportionate method using the underlying interest rates.

**(j) Foreign currency transactions**

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Gains and losses arising on settlement are included in the profit or loss.

**(k) Earnings per share**

The basic earnings per share (“EPS”) is computed by dividing the net profit after tax (including post tax effect of any extraordinary items) for the year by the weighted average number of equity shares outstanding during the year. The Company does not have any potentially dilutive equity shares as at the year-end.

**(l) Taxes on income**

Income tax expenses comprise of current tax and deferred tax.

*Current tax*

The current charge for the income taxes is calculated in accordance with the relevant tax laws applicable to the Company.

*Deferred tax*

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**(m) Leases**

Assets acquired under lease, where the Company has assumed substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease, at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Assets acquired under lease, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(n) Provisions and contingent liabilities**

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

**(o) Retirement benefits**

Provision for gratuity, which is a defined benefit scheme, is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company recognises the net obligation of the gratuity plan in the balance sheet as an asset or liability respectively in accordance with AS-15 “Employee Benefits”.

Long term compensated absences is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

Contributions to the employees’ provident fund are charged to the statement of profit and loss. Such contributions are made to the authorities administering the fund.

**(p) Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

**(q) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(r) Standards issued but not yet effective**

These financial statements, for the year ended 31 March 2018, are the first financial statements the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2016, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**(s) Financial instruments****a. Recognition and Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**b. Classification and Subsequent measurement****Financial assets**

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

- amortised cost;
- 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:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of

**Financial assets:** Subsequent measurement and gains and losses

**Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities:** Classification, Subsequent measurement and gains and losses Financial liabilities are classified as measured at amortised 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. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### **c. Derecognition**

#### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks 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 transactions whereby it transfers assets recognised 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 derecognised.

#### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

### **d. Offsetting**

Financial assets and financial 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.

### **e. Impairment**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;



- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over

the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

#### **Measurement of expected credit losses**

Expected credit losses are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



**2. Notes on accounts**
**2.1 : Property, Plant and Equipment**
**(Amount in ₹)**

	Land	Buildings	Office Equipment	Total
<b>Cost</b>				
<b>As at April, 2016</b>	<b>1,21,76,951</b>	<b>52,76,579</b>	-	<b>1,74,53,530</b>
Additions	-	-	8,000	8,000
Disposals	-	-	-	-
<b>As at 31 March, 2017</b>	<b>1,21,76,951</b>	<b>52,76,579</b>	<b>8,000</b>	<b>1,74,61,530</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 March, 2018</b>	<b>1,21,76,951</b>	<b>52,76,579</b>	<b>8,000</b>	<b>1,74,61,530</b>
<b>Accumulated depreciation</b>				
<b>As at April, 2016</b>	-	<b>31,29,025</b>	-	<b>31,29,025</b>
Depreciation expense	-	87,701	588	88,289
Disposals	-	-	-	-
<b>As at 31 March, 2017</b>	-	<b>32,16,726</b>	<b>588</b>	<b>32,17,314</b>
Depreciation expense	-	86,736	1,594	88,330
Disposals	-	-	-	-
<b>As at 31 March, 2018</b>	-	<b>33,03,462</b>	<b>2,182</b>	<b>33,05,644</b>
<b>Net carrying value as at March 31, 2018</b>	<b>1,21,76,951</b>	<b>19,73,117</b>	<b>5,818</b>	<b>1,41,55,886</b>
<b>Net carrying value as at March 31, 2017</b>	<b>1,21,76,951</b>	<b>20,59,853</b>	<b>7,412</b>	<b>1,42,44,216</b>

**(Amount in ₹)**

Particulars	As at 31 March 2018	As at 31 March 2017
<b>2.2 Other Financial Assets</b>		
<i>Considered Good</i>		
-Security deposits	20,500	20,500
	<b>20,500</b>	<b>20,500</b>
<b>2.3 Other Non-Current Asset</b>		
Advance tax & tax deducted at source	1,23,37,198	1,26,73,616
	<b>1,23,37,198</b>	<b>1,26,73,616</b>
<b>2.4 Trade receivables</b>		
<b>Secured</b>		
Considered Good	65,13,153	86,83,316
Considered bad and doubtful	56,118	-
	<b>65,69,271</b>	<b>86,83,316</b>
<b>2.5 Cash and cash equivalents</b>		
Cash on hand	14,764	8,465
Balance with banks	6,45,309	3,91,861
-On current accounts		
	<b>6,60,073</b>	<b>4,00,326</b>
<b>2.6 Other Financial Assets</b>		
Security deposit	6,00,000	4,99,711
Other advances	20,00,000	24,51,910
Balance with Statutory/Government Authorities	1,02,085	1,02,085
	<b>27,02,085</b>	<b>30,53,706</b>

**2. Notes to Financial Statements**
**2.7 (a) Equity Share Capital**
**(Amount in ₹)**

Particulars	As at	As at
	31 March 2018	31 March 2017
<b>Authorised</b> 560,000,000 Equity Shares of ₹ 1 each	56,00,00,000	56,00,00,000
	<b>56,00,00,000</b>	<b>56,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b> 96,108,436 equity shares of ₹ 1 each fully paid up Add: Forfeited share capital	9,61,08,436 -	9,61,08,436 12,85,108
	<b>9,61,08,436</b>	<b>9,73,93,544</b>

**2.7 (b) The details of shareholder holding more than 5% equity shares is set below:**

Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Kling Holdings Private Limited	2,76,45,509	28.76	2,76,45,509	38.29

**2.7 (c) The reconciliation of the number of equity shares:**

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the year	9,61,08,436	9,61,08,436	9,61,08,436	9,61,08,436
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	9,61,08,436	9,61,08,436	9,61,08,436	9,61,08,436

1. The Company has issued 16,514,295 equity shares by way of fully paid bonus shares on 03 September 2007.
2. The Company has issued 47,089,846 equity shares of ₹ 1 each during the year 2012 pursuant to the Approved Scheme for consideration other than cash.
3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
4. The Company has only one class of equity shares having a par value of ₹ 1 each. Each share holder of equity shares is entitled to one vote per share

**Rights, preferences and restrictions of equity shares**

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors 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 are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**2. Notes on accounts**
**(Amount in ₹)**

Particulars	As at 31 March 2018	As at 31 March 2017
<b>2.8 Other Equity</b>		
<b>Other equity consist of the following</b>		
a. Capital reserve account	29,56,250	16,71,142
b. Retained Earnings		
-Opening balance	(33,17,00,065)	(32,16,15,891)
-Profit/(loss) for the year	(9,81,452)	(1,00,84,174)
	<b>(33,26,81,517)</b>	<b>(33,17,00,065)</b>
<b>Total (a+b)</b>	<b>(32,97,25,267)</b>	<b>(33,00,28,923)</b>
<b>2.9 Borrowings</b>		
<b>Non-Current</b>		
Loans from Promoters and Directors	6,35,08,977	5,53,52,977
	<b>6,35,08,977</b>	<b>5,53,52,977</b>
<b>Current</b>		
<b>Working Capital Demand Loans from Banks-Secured</b>		
Working facilities from ARC Pvt. Ltd.*	10,93,21,962	13,98,16,962
Working facilities from Corporation Bank**	3,62,60,783	3,61,22,500
	<b>14,55,82,745</b>	<b>17,59,39,462</b>

**Note:**
**I. \*Working capital demand loan**

- i) Due to non payment of dues to Dhanalaxmi Bank on committing default in repayment, the bank has categorized the loan account as Non performing Asset on 26.02.2013. Later, the Bank has sold the entire loan amount along with Mortgage deeds, Hypothecated assets to an Asset Reconstruction Company, M/s Phoenix Trust FY 14-18 ARC. Subsequently, the ARC issued a letter for payment of dues.
- ii) After repeated correspondence, the company failed to pay the dues to bank, and then the ARC sold the Mortgaged land standing on the name company situated at Survey No. 220, Admeasuring Ac 8.00 guntas located at Urella Village, Chevella Mandal, RR District, Survey No. 219/P, Admeasuring Ac 0.10 guntas situated at Urella Village, Chevella Mandal, RR District for a total consideration of ₹ 48,05,000/-
- iii) Subsequently, ARC has given to option for OTS offer vide letter No. Phoenix/RESL/3949/2015-16 dated 21st March 2016 for ₹.2,00,00,000 and same was accepted by the company and had paid an amount of ₹ 20,00,000/- as upfront acceptance offer towards. Balance is to be paid within 3 months as per intimation
- iv) During the year 2016-2017 the company requested the Phoenix ARC Private Limited for the extention of repayment of OTS amount vide their letter dated. 10th November, 2016. Phoenix accepted the company request vide their letter No: Phoenix/RESL/2336/2016-17 Dated. 15th December, 2016 with additional amount of ₹ 20 lacs and balance amount of OTS of ₹ 180 lacs which has to be paid on or before 31st March, 2017.

**II. \*\*Working capital demand loan from Corporation Bank**

- i) Loan from Corporation Bank to meet Business Expenses carries interest at 14.60% p.a at present , subject to change from time to time and repayable on demand , subject to annual review/renewal.

**2. Notes on accounts**
**(Amount in ₹)**

Particulars	As at 31 March 2018	As at 31 March 2017
<b>2.10 Other Non-current liabilities</b>		
<b>Non-Current</b>		
Provision for taxation	43,33,717	92,08,165
Provision for Gratuity and Leave encashment	-	24,551
Others	4,03,75,000	1,00,95,205
	<b>4,47,08,717</b>	<b>1,93,27,921</b>
<b>Current</b>		
Advance from customers	94,16,623	13,07,173
Statutory dues	7,47,319	14,75,848
Creditors for expenses	35,41,305	-
Others	1,32,717	3,52,399
	<b>1,38,37,964</b>	<b>31,35,420</b>
<b>2.11 Trade payables</b>		
Trade payables	23,32,269	1,78,86,142
Due to Micro, Small and Medium Enterprises (Refer Note: 2.21 )	-	-
	<b>23,32,269</b>	<b>1,78,86,142</b>
<b>2.12 Provisions</b>		
Other Payables- Expenses	91,172	69,137
	<b>91,172</b>	<b>69,137</b>

**2. Notes on accounts**
**(Amount in ₹)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.13 Income from operations</b>		
Sale of Goods		
- Commodity	29,55,030	57,34,028
- Sale of seed	40,73,535	90,17,170
	<b>70,28,565</b>	<b>1,47,51,198</b>
<b>2.14 Other income</b>		
Provisions no longer required, written back	39,73,448	6,79,798
Miscellaneous Income	9,09,690	-
	<b>48,83,138</b>	<b>6,79,798</b>
<b>2.15 Purchase of stock-in-trade</b>		
- Commodity	27,16,180	53,62,595
- Sale of seed	38,80,650	84,08,590
	<b>65,96,830</b>	<b>1,37,71,185</b>
<b>2.16 Employee benefits expense</b>		
Salaries	28,00,672	29,53,066
Contribution to provident fund and other funds	1,92,430	1,54,822
Staff welfare expenses	1,30,739	83,637
	<b>31,23,841</b>	<b>31,91,525</b>
<b>2.17 Finance cost</b>		
Interest on working capital loans	51,31,292	50,63,309
	<b>51,31,292</b>	<b>50,63,309</b>
<b>2.18 Other expenses</b>		
Power and fuel	33,779	48,670
Rent	60,000	85,000
Repairs and maintenance	1,97,034	1,76,903
Rates and taxes	4,48,682	11,11,289
Travelling and conveyance	1,25,872	1,27,126
Legal and professional fees	5,76,374	9,24,212
Communication charges	41,652	81,378
Sales promotion and advertisement	25,843	1,22,450
Insurance	-	1,000
Bank charges	7,286	1,810
Printing and stationery	22,380	1,06,293
Miscellaneous expenses	42,300	2,89,599
Bad Debts	-	3,25,132
	<b>15,81,202</b>	<b>34,00,862</b>

**2. Notes on accounts**
**2.19 Earning per share (EPS)**
**(Amount in ₹ except share data)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Profit /(loss) Before Extraordinary items and tax	(46,09,792)	(1,00,84,174)
Less: Extraordinary Items	-	-
b. Profit /(loss) after tax	(9,81,452)	(1,00,84,174)
c. Number of shares at the beginning of the year	9,61,08,436	9,61,08,436
Add: No. of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	9,61,08,436	9,61,08,436
Add: Equity shares pending allotment (potential equity shares)	-	-
Total number of equity shares including potential equity shares	<b>9,61,08,436</b>	<b>9,61,08,436</b>
d. Weighted average number of equity shares outstanding during the year. (Nominal value ₹ 1)[previous year: ₹ 1]	9,61,08,436	9,61,08,436
e. Weighted average number of equity shares outstanding during the year. (Nominal value ₹ 1)[previous year: ₹ 1]	9,61,08,436	9,61,08,436
f. Earnings per share (₹)		
- Basic	(0.01)	(0.10)
- Diluted	(0.01)	(0.10)
g. Earnings per share (₹)(Excluding Extraordinary items)		
- Basic	(0.01)	(0.10)
- Diluted	(0.01)	(0.10)

**2.20 Related party disclosures**
**i. Entities where control exists**

None

**ii. Key Management Personnel**

D. Prakash Rao – Wholetime Director

T. Venkateswara Rao – Executive Director

**iii. Enterprises with whom transactions have taken place**
**Entities where principal shareholders/management personnel have control or significant influence (either directly or indirectly)**

Kling Enterprises India Limited

Stampede Capital Limited, India

Social Media India Limited, India

Spacenet Enterprises India Limited

**I. Particulars of related party transactions**

Following is the summary of significant related party transactions:

**(Amount in ₹)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Unsecured loan taken</b>		
- Venkata Srinivas Meenavalli (Promoter)	81,56,000	1,05,05,418
- D.V.S. Prakash Rao (Wholetime Director)	-	43,70,000
<b>Remuneration paid</b>		
-D.V.S. Prakash Rao (Wholetime Director)	5,53,500	6,65,000
-T. Venkateswara Rao (Executive Director)	4,31,000	5,85,000
<b>Loan/Advance Received</b>		
-Kling Enterprises India Limited (Associate company)	3,81,04,450	-

**2. Notes on accounts**
**II. The Company has the following amounts due from/to the related parties (Amount in ₹)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Unsecured loan payable</b>		
-Venkata S Meenavalli (Promoter)	5,91,38,977	5,09,82,977
-D.V.S. Prakash Rao (Wholetime Director)	43,70,000	43,70,000
<b>Loan/Advance payable</b>		
-Kling Enterprises India Limited (Associate company)	3,81,04,450	-
<b>Remuneration payable</b>		
-D.V.S. Prakash Rao (Wholetime Director)	41,460	63,200
-T. Venkateswara Rao (Executive Director)	-	58,000
<b>Trade payable (Creditor)</b>		
-Venkata S Meenavalli (Promoter)	2,76,610	2,76,610

**2.21 Details of dues to micro and small enterprises as defined under MSMED Act, 2006**

The information as required to be disclosed under Schedule III of the Act, w.r.t. Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006(Act) is as given below and the information mentioned at Note No. 2.11- Trade Payables w.r.t. dues of Micro and Small Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the auditors :

Particulars	2017-18	2016-17
a. Principal amount remaining unpaid as on 31st March	NIL	NIL
b. Interest due thereon as on 31st March	NIL	NIL
c. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	NIL	NIL
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	NIL	NIL
e. Interest accrued and remaining unpaid as at 31st March	NIL	NIL
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	NIL	NIL

**2. Notes on accounts**
**2.22 Provision for employee benefits**

a. Pursuant to the adoption of the Indian Accounting Standard (Ind AS) 15 the following table sets out the status of the gratuity plan :

(Amount in ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Reconciliation of opening and closing balance of the present value of defined benefit obligations</b>		
Opening defined benefit obligation	-	1,69,337
Current service cost	-	
Interest cost	-	
Actuarial (gain)/loss	-	8,833
Closing defined benefit obligation	-	<b>1,78,170</b>
<b>Change in the fair value of assets</b>		
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial gains / (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-
<b>Amounts recognised in the balance sheet</b>		
Present value of funded obligation	-	2,21,686
Fair value of plan assets at end of the year	-	-
Net liability	-	<b>2,21,686</b>
<b>Expense recognised in statement of profit and loss</b>		
Current service cost	-	29,969
Interest on defined benefit obligation	-	13,547
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year	-	8,833
Amount, included in "Employee benefit expense"	-	<b>52,349</b>
<b>Summary of actuarial assumptions</b>		
Discount rate (%)	-	8
Rate of return on plan assets (%)	-	5
Salary escalation rate (%)	-	4

**Discount rate:** The discount rate is based on the gross redemption yield on medium to long term risk free investments.

**Expected rate of return on plan assets:** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**Salary escalation rate:** The attrition rate is the expected employee turnover for the future periods, adjusted to the current economic environment.



## 2. Notes on accounts

### 2.23 Payments to auditors (included in Legal and professional charges includes) (excluding GST)

(Amount in ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Audit fee	75,000	1,00,000
Other services	-	-
for reimbursement of expenses	-	-
	75,000	1,00,000

### 2.24 Commitments and Contingent liabilities

(Amount in ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Contingent Liabilities</b>		
Company extended property to Bank of Baroda against the loan sanctioned to Barret Commodity Traders Private Ltd **	1,80,00,000	1,80,00,000
Demand for direct taxes under appeal***	2,22,87,540	3,84,77,474
Sales Tax Matters	6,72,066	12,54,205
Company accepted the OTS offer given by the Phoneix Trust FY 14-18	2,00,00,000	2,00,00,000
<b>Capital Commitments</b>	-	-

\*\*The company had given provisional guarantee to Barret Commodity Traders Pvt Ltd, which is a major supplier to the company by extending by way of providing it's immovable properties as collateral security for availing working capital limits of ₹180 lakhs from Bank of Baroda

\*\*\* Pertains to income tax demand/matters on account of deductions/disallowances for the earlier years, pending appeals filed consequent to order passed against the Company/demands raised by the Department under Income Tax Act, 1961.

### 2.25 Deferred tax asset/liability :

In view of carry forward of losses under tax laws in the current year, the Company is unable to demonstrate virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, which is as required under AS 22 'Accounting for taxes on income'. Accordingly, no deferred tax asset has been recognised as at the year-end.

### 2.26 Segment reporting

#### Operating Segments:

- a) Commodity :
- b) Seed :

#### Identification of Segments:

The chief operating decision maker monitors the operating results of its business segments for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature or products/services.

**2. Notes on accounts**
**Segment Revenue and Results:**

The expenses and incomes which are not attributable to any business segment are shown as unallocated expenditure

**Segment Assets and Liabilities:**

Segment assets include all operating assets used by the operating segment

(Amount in ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Segment Revenue</b>		
a. Seed	40,73,535	90,17,170
b. Commodity	29,55,030	57,34,028
<b>Total</b>	<b>70,28,565</b>	<b>1,47,51,198</b>
Less: Inter Segment Revenues	-	-
<b>Net Income from Operations</b>	<b>70,28,565</b>	<b>1,47,51,198</b>
<b>Segment Results</b> ( Profit/(Loss) before tax and interest from each segment)		
a. Seed	1,92,885	6,08,580
b. Commodity	2,38,850	3,71,433
<b>Total</b>	<b>4,31,735</b>	<b>9,80,013</b>
Less:		
i. Interest	51,31,292	50,63,309
ii. Other un-allocable expenditure net off un-allocable income	(89,765)	60,00,878
<b>Operating Profit before Tax</b>	<b>(46,09,792)</b>	<b>(1,00,84,174)</b>
<b>Segment assets:</b>		
a. Seed	46,55,596	50,17,170
b. Commodity	19,13,675	39,91,278
c. Un allocated	2,98,75,742	3,00,67,231
	<b>3,64,45,013</b>	<b>3,90,75,679</b>
<b>Segment Liabilities:</b>		
a. Seed	13,89,486	44,08,590
b. Commodity	15,59,42,151	18,56,32,825
c. Un allocated	11,27,30,207	8,16,69,643
	<b>27,00,61,844</b>	<b>27,17,11,058</b>

**2. Notes on accounts**
**2.27 Reconciliation with Indian GAAP**

1. Reconciliation of equity as previously reprinted under Indian GAAP to Ind AS as at March 31, 2017

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
<b>Non-current Assets</b>			
(a) Property, plant and equipment	1,42,44,216	-	1,42,44,216
(b) Financial assets			
(i) Other financial assets	20,500	-	20,500
<b>Total Non-current Assets</b>	<b>1,42,64,716</b>	<b>-</b>	<b>1,42,64,716</b>
<b>Current Assets</b>			
(a) Financial assets			
(i) Trade receivables	90,08,448	(3,25,132)	86,83,316
(ii) Cash and cash equivalents	4,00,325	-	4,00,325
(iii) Other financial assets	1,58,27,612	(1,00,290)	1,57,27,322
<b>Total Current Assets</b>	<b>2,52,36,385</b>	<b>(4,25,421)</b>	<b>2,48,10,964</b>
<b>TOTAL ASSETS</b>	<b>3,95,01,101</b>	<b>(4,25,421)</b>	<b>3,90,75,680</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Equity Share capital	9,73,93,544	-	9,73,93,544
(b) Other Equity	(32,96,03,502)	(1,21,765)	(32,97,25,267)
<b>TOTAL EQUITY</b>	<b>(23,22,09,958)</b>	<b>(1,21,765)</b>	<b>(23,23,31,723)</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	5,53,52,977	-	5,53,52,977
(b) Other non-current liabilities	2,15,205	-	2,15,205
<b>Total Non-current Liabilities</b>	<b>5,55,68,182</b>	<b>-</b>	<b>5,55,68,182</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17,59,39,462	-	17,59,39,462
(ii) Trade payables	1,78,86,142	-	1,78,86,142
(b) Provisions	92,32,716	-	92,32,716
(c) Other current liabilities	1,30,84,557	(3,03,656)	1,27,80,901
<b>Total Current Liabilities</b>	<b>21,61,42,877</b>	<b>(3,03,656)</b>	<b>21,58,39,221</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,95,01,101</b>	<b>(4,25,421)</b>	<b>3,90,75,680</b>

**2. Notes on accounts**
**2.27 Reconciliation with Indian GAAP**

2. Reconciliation of statement of Profit and Loss as previously reported under Indian GAAP to Ind AS for the year ended March 31, 2017

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
<b>Revenue from operations</b>			
Income from operations	1,47,51,198	-	1,47,51,198
Other income	6,79,798	-	6,79,798
<b>Total revenue</b>	<b>1,54,30,996</b>	<b>-</b>	<b>1,54,30,996</b>
<b>Expenses</b>			
Purchase of stock-in-trade	1,37,71,185	-	1,37,71,185
Employee benefits expense	31,91,525	-	31,91,525
Finance costs	49,63,020	1,00,289	50,63,309
Depreciation and amortisation expense	88,289	-	88,289
Other expenses	30,75,730	3,25,132	34,00,862
<b>Total expenses</b>	<b>2,50,89,749</b>	<b>4,25,421</b>	<b>2,55,15,170</b>
<b>Profit/ (Loss) before extraordinary items and tax</b>	<b>(96,58,753)</b>	<b>(4,25,421)</b>	<b>(1,00,84,174)</b>
Extraordinary items	-	-	-
<b>Profit/ (Loss) before tax after extraordinary items</b>	<b>(96,58,753)</b>	<b>(4,25,421)</b>	<b>(1,00,84,174)</b>
Tax expense			
- Current tax	-	-	-
- Current tax for earlier years	-	-	-
- Deferred tax charge	-	-	-
<b>Net Profit/(Loss) after tax</b>	<b>(96,58,753)</b>	<b>(4,25,421)</b>	<b>(1,00,84,174)</b>
Other Comprehensive Income/(Loss) (OCI) Items that will not be reclassified to profit or loss in subsequent periods:			
Other Comprehensive Income/(Loss) for the period net of tax	-	-	-
<b>Total Comprehensive Income for the period, net tax</b>	<b>(96,58,753)</b>	<b>(4,25,421)</b>	<b>(1,00,84,174)</b>

**2.28** Previous year figures have been regrouped / reclassified wherever necessary, to confirm to current year classification.

as per our report of even date

for **Navitha and Associates**  
Chartered Accountants  
Firm's registration No.: 012026S

For and on behalf of the Board of Directors of  
**for Proseed India Limited**

Navitha K  
Proprietor  
Membership No.: 221085

D.V.S. Prakash Rao  
Wholtime Director  
DIN: 03013165

T. Venkateswara Rao  
Executive Director  
DIN: 06806293

Srishti Soni  
Company Secretary  
ACS : 46395

Place: Hyderabad  
Date : 30 May 2018



Proseed India Limited

Flat No. 302, Lotus Block, Block-B,

Sandy Springs, Manikonda, Ranga Reddy Dist., Telangana, Hyderabad - 500 089.

CIN: L01403TG2002PLC039113, www.proseedindia.in

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

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

I / We, being the member(s) of .....Equity Shares of Proseed India Limited, hereby appoint

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General Meeting of the Company, to be held on Friday 28th day of September, 2018 at 2.00 p.m. at Senior Citizen hall 2nd Floor S.R.K Raju Community Hall maduranagar, Hyderabad 500038. Telengana and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated below:

**Resolution No.**

S.No.	Resolution(s)	Vote	
		For	Against
1	Adoptions of Financial Statements and Reports thereon for the Financial Year ended 31st March, 2018		
2	Appointment of Director in place of Mr. Venkateswara Rao tammineedi, Who retires by Rotation and being eligible, seeks Re-appointment		

Signed this.....day of..... 2018

Signature of Shareholder

Signature of Proxy Holder(s)

Revenue Stamp
------------------

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

**Proseed India Limited**

Flat No. 302, Lotus Block, Block-B,  
Sandy Springs, Manikonda, Ranga Reddy Dist., Telangana, Hyderabad - 500 089.  
**CIN: L01403TG2002PLC039113**, www.proseedindia.in

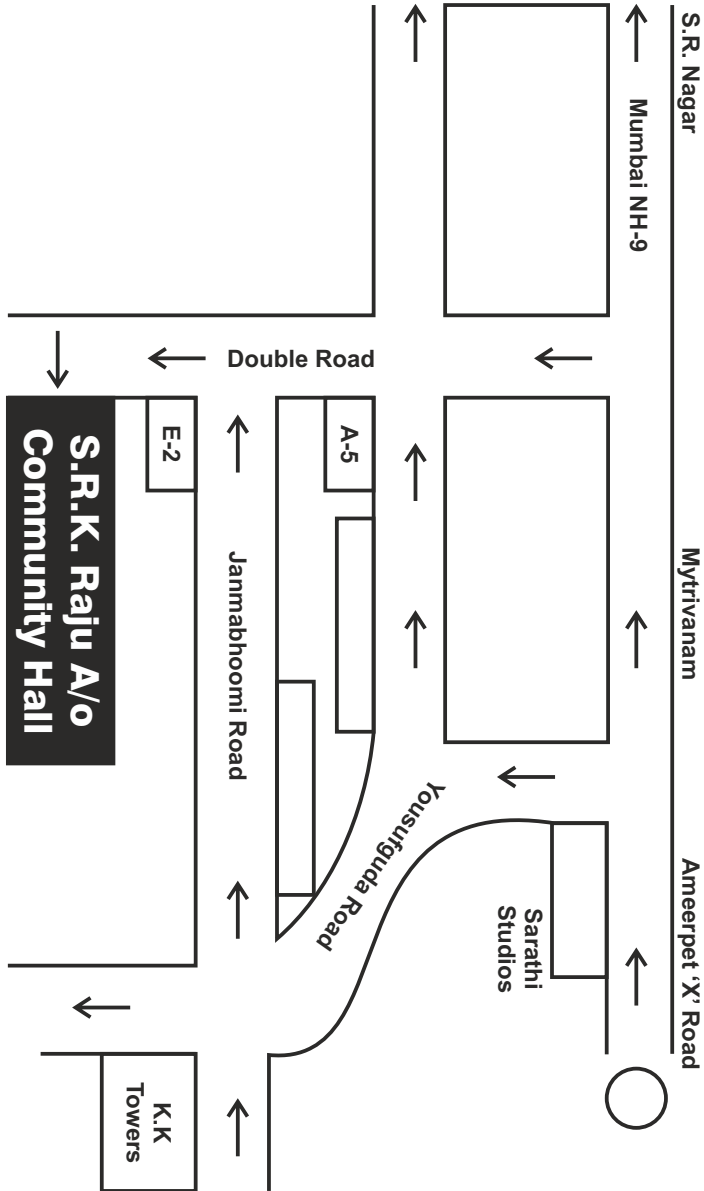
**ATTENDANCE SLIP**

(to be handed over at the Registration Counter Joint holder may obtain additional slip at the venue)

DP ID		Folio No
Client ID		No. of Shares

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company being held on Friday 28th day of September, 2018 at 2.00 p.m. at Senior Citizen hall 2nd Floor S.R.K Raju Community Hall Madura nagar, Hyderabad 500038, Telengana.

Signature of the Member/Proxy



## PROSEED INDIA LIMITED

Flat No: 302, Lotus Block, Block-B,  
Sandy Springs, Manikonda, Ranga reddy Dist.,  
Telangana, Hyderabad - 500 089  
CIN : L01403TG2002PLC039113, [www.proseedindia.in](http://www.proseedindia.in)

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