



Independent Auditor's Report

To

The Members of Genera Agri Corp Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Genera Agri Corp Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the statement of Cash flows for the year ended on that date, and a summary of the significant accounting policies and other Explanatory information (herein after referred to as "the stand alone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting Standards prescribed under section 133 of the act read with the companies (Indian Accounting Standard s) Rules 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Facts of the case:

- (i) The company had advanced certain amounts as Inter-Corporate loans totaling Rs. 1,037.35 lakhs, which are outstanding since long time. In our opinion, Company's efforts in recovering the same are not fully yielding desired results. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for the quarter ended on September 30, 2019 would have been higher by Rs.1, 037.35 lakhs, and other equity would have been lower by Rs. 1,037.35 lakhs.
- (ii) The company had given advances for land totalling Rs. 641.11 lakhs, which are outstanding since long time. Considering the fact that these are outstanding since long time and Company's efforts in recovering the same are not fully yielding desired results. The possible loss on account of this has not been recognized in the financial statements.

According to the management, it is not possible to estimate the losses and consequently quantify the amount of provision required in the above cases.

Had the company estimated and provided for the losses as mentioned (i) to (ii) above, the profit stated in the statement of Profit and Loss would have been lower by such amount; the amount of other non-current assets in the Balance Sheet would have been lower by the amount of provision with respect to item mentioned in paragraph (i) above; the amount of Long-term loans and advances in the Balance Sheet would have been lower by the amount of provision with respect to item mentioned in paragraph (ii) above.

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act.

Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



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Key Audit Matters

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the Matter Described below to be the key audit matters Communicated in Our report. We have fulfilled the responsibilities described in the auditor’s responsibilities for the audit of standalone Ind As financial statements financial statements section of our reports including in relation to these matters. Accordingly our audit include the performance of procedures designed to respond to our assessment of risks of material mis statement of standalone Ind AS financial Statements the results of our audit Procedures , including the procedures prescribed to address the matters below provide the basis for our audit opinion on the accompanying standalone Ind AS Financial statements.

Key Audit Matters	How Our Audit Addressed the Key Audit matter
Identification and disclosures of Related Parties	Our Audit procedures amongst others included the following
1. The Company has related party transactions which include, amongst others , sale and purchase of Goods/services to its subsidiaries, associates, joint ventures and other related parties and lending and borrowing to its subsidiaries , associates and joint ventures .	1. Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related Party Transactions.
2. We focused on identification and disclosure of related parties in accordance with relevant accounting standards as key audit matter.	2. Obtained a list of related parties from the companies’ management and traced the related parties to declaration given by the directors, where applicable, and to Note 2.4 of the standalone Ind AS financial statements .
	3. Read minutes of the Meeting of the Board of Directors and Audit Committee.
	4. Tested material creditors/debtors, loan outstanding / loans taken to evaluate existence of any related Party transactions given to the Board of Directors and audit committee.
	5. Evaluated the disclosures in the standalone Ind As financial Statements for compliance with Ind AS 24.

Information other than the Standalone Financial Statements and Auditor’s Report thereon.

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the management Discussion and Analysis. Board’s report including Annexures to the Board’s Report Business Responsibility Report, Corporate Governance and Shareholders’ Information , but does not include the standalone financial statements and our auditors’ report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form



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of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related



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disclosures made by management and Board of Directors in the standalone financial statements.

Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 Auditors report in accordance with the requirements of section 197(16) of the Act, As amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the



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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 pending litigations on its financial position in its standalone financial statements in Note No 2.2
- ii. The Company has made provisions, as required under the applicable law or or Ind As or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

2. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the central Government in terms of Section 143 (11) of the Act, we give in Annexure A" a statement on the Matters Specified In Paragraphs 3 and 4 of the Order.

For **NG Rao & Associates**
Chartered Accountants
Firm Registration No: 009399S

(G Nageswara Rao)
Partner
Membership No: 207300
UDIN: 20207300AAAARV2954.

Place: Hyderabad
Date: 06.11.2020



Independent Auditor's Report
Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

1. (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The title deeds of the immovable Property are held in the name of the company.

(c) The Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.
2. As informed by the company, the physical verification of inventory excluding Stock with third parties has been conducted at reasonable intervals by the management. However the physical verification report has not been shared with us.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.
6. The central government has not prescribed the maintenance of cost records under section 148(1) of the act , for any of the services rendered by the company .
7. According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Semce Tax, Duty of customs, Duty of Excise, value added tax. cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, undisputed amounts payable in respect of the above were income tax pertaining to the financial year ended 31 March, 2012 amounting to 463 Lakhs and income tax pertaining to the financial year ended 31 March, 13 amounting to 2.66 Lakhs were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

According to the information and explanation given to us. Following are the due amounts pertaining to the Income Tax which have not been deposited on account of dispute for which appeals are pending before the Hon'ble Income Tax Appellate Tribunal.

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Sl. No	Assessment year	Tax Demand against which appeal was preferred (All Rs in lakhs)
1	2007-08	52.49
2	2008-09	32.14
3	2009-10	240.55
4	2010-11	1138.02
5	2011-12	652.08
6	2012-13	935.29
7	2013-14	408.41

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. There are no dues to debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us based on our examination of the records of company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N G Rao & Associates,
Chartered Accountants
FRN: 009399S

G. Nageswara Rao
Partner
Membership No. 207300
UDIN: 20207300AAAARV2954

Place: Hyderabad.
Date: 06.11.2020.



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Annexure B to the Independent Auditors' report of event of event date on the financial statement of Genera Agri Corp Limited.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

We have audited the internal financial controls with reference to standalone financial statements of Genera Agri Corp Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



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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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

- (1) pertains 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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 aspects, adequate internal financial controls System over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the company considering the essential components of internal stated in the Guidance note on Audit of internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For N G Rao & Associates.
Chartered Accountants
FRN: 009399S

(G. Nageswara Rao)
Partner
Membership No.207300.
UDIN: 20207300AAAARV2954.

Place: Hyderabad
Date: 06.11.2020